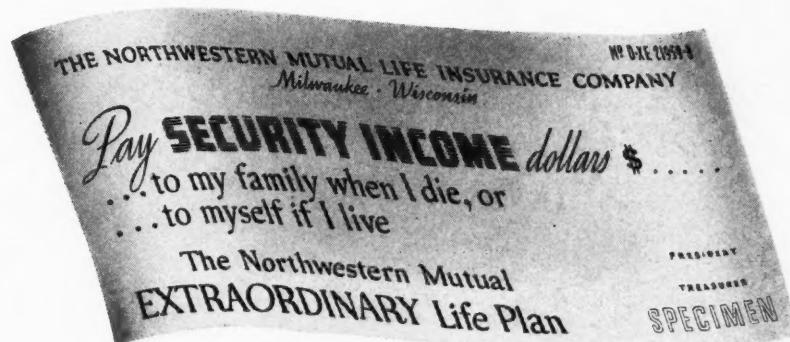


The NATIONAL UNDERWRITER

Life Insurance Edition

INS. LAB.

B40
JUN 9 1938



THE ROUTE TO PROFITABLE SALES

People everywhere are interested in "security." When shown how they can achieve security for themselves and their families through The Northwestern Mutual's EXTRAORDINARY Life Plan, their interest is much more readily developed into buying action.

Of direct and continual help to Northwestern Mutual underwriters as they capitalize on this buying interest is their complete, coordinated, and exclusive kit of personal sales and advertising equipment. Pre-call and personal build-up letters, interview and presentation forms, a visual selling manual, booklets and related aids, help Northwestern Mutual underwriters to improve their selling efficiency.

At the approaching 62nd Annual Meeting of the Association of Agents in Milwaukee, July 25th, 26th, and 27th, successful underwriters will describe the many ways in which they have put this material to profitable use during 1938.



THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
HOME OFFICE — MILWAUKEE

FRIDAY, JUNE 10, 1938

QUESTION: Who owns stock in Metropolitan?

ANSWER: Nobody!



WHY DOES no one own stock in Metropolitan Life Insurance Company?

Because there isn't any stock.

In January, 1915, Metropolitan ceased to be a stock company and became a mutual company.

That change was initiated by the Directors and Officers of the company, in the conviction that it would be for the best interests of all present and future policyholders.

The Company's Board of Directors—which controls the management and maintains general supervision over the affairs of the company—is responsible solely to the policyholders.

In a mutual company such as Metropolitan, the entire assets are held for the benefit of its policyholders.

What happens to money remaining after benefits and expenses have been paid, and after funds needed to meet future obligations have been set aside—including such additions as may be made to the extra safety fund (the maximum size of which is limited by law)? This amount remaining at the end of the year is equitably distributed to policyholders in the form of dividends.

The company is operated with the objective of providing insurance for its 29 million policyholders at the lowest possible cost consistent with efficiency and safety.

This is Number 2 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. A copy of the preceding advertisement will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



THIS IS THE SECOND* of a new series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. This particular advertisement tells, in simple and understandable language, what a *mutual* life insurance company is.

*Appears in: June, *Cosmopolitan*; June, *Nation's Business*; June 1, *Forbes*; June 11, *Collier's*; June 11, *Saturday Evening Post*; June 11, *Business Week*; June 13, *Time*; June 5, *American Weekly*; June 12, *This Week*

The NATIONAL UNDERWRITER

Forty-second Year—No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 10, 1938

\$3.00 Per Year, 15 Cents a Copy

Advance Definite Gain and Loss Exhibit Proposals

Companies Are Requested to Criticise Revisions That Have Been Drafted

The committee of company representatives that has been pondering the question of revision of the gain and loss exhibit in the annual statement blanks has now sent to the individual companies copies of two specific proposals. This is a committee of representatives of the Life Presidents Association and American Life Convention. It consists of H. P. Hammond, Travelers, chairman for the Life Presidents group; J. S. Thompson, Mutual Benefit; James Craig, Metropolitan; Bruce Shepherd, Life Presidents Association; Wendell P. Coler, American United Life, chairman A. L. C. group; W. H. McBride, National Life & Accident, and A. J. McAndless, Lincoln National.

One of the proposals is a form that has been tentatively recommended by a subcommittee of the blanks committee of the National Association of Insurance Commissioners of which Russell Hooker of Connecticut is chairman. The other is a form that the company committee prefers.

Company executives are invited to submit suggestions. They may either indicate a preference between the two forms or make alternative suggestions. The subcommittee is supposed to get the matter in hand so that it can make a definite recommendation to the blanks committee at the meeting next May.

Consists of 45 Lines

The form recommended by Mr. Hooker's committee consists of 45 lines. The company committee tentatively favors the first 32 lines of the form which gives a development according to lines of the increase or decrease in surplus. Lines 33-43, which the company committee does not embrace, constitute an actuarial analysis. The company committee believes that this analysis preserves certain features on the present page 9 of the blank that are objectionable.

The company committee points out that in the past 15 years there have been profound developments in the business, such as the increased sale of disability, accidental death benefits, group life and annuities, industrial, and regular annuities. The old blank was not fashioned with these departures in mind.

Direct Comparisons Removed

The company committee is gratified that the Hooker proposal eliminates direct comparisons of interest required and interest earned, expected mortality with actual mortality; loading with expenses and reserves released from other sources with surrender values paid. Moreover, objectionable labels that are found in

(CONTINUED ON PAGE 24)

Occidental Life Will Have Western Branch

New Offices Are Being Arranged in Chicago with J. Roy Kruse in Charge

J. Roy Kruse, who was formerly president of the California State Life and later the California-Western States Life of Sacramento and for the last year home office representative of the Occidental Life of Los Angeles, is locating in Chicago to be in charge of the new branch office which will service some \$75,000,000 of insurance already on the books. The Occidental Life has a Chicago city office in the Conway building, 111 West Washington street. This will be enlarged for the general quarters and be located on the third floor of the building. The quarters are now being fitted for occupancy and will be ready by the end of the month.

Kruse Had Wide Experience

Mr. Kruse has had a wide experience in life insurance. He started with the New York Life as an agent, and later was connected with the Great Western Life of Kansas City in an official capacity. He has been located in Kansas City for the last year and has had much to do with absorbing the Federal Reserve Life of Kansas City, Kan., which the Occidental Life took over. He has direct supervision of agencies in Illinois, Indiana, Ohio and Michigan and Lee J. Dougherty, vice-president, of Davenport, Ia., supervises the rest of the states in the central west.

The Chicago department will in many ways perform the functions of the home office. It will be the chief agency headquarters, will look after policy loans, investments in the territory and will offer direct policyholders service in numerous ways. The purpose of the company is to localize its home office activities so that quick action can be secured. As Mr. Kruse has had such a wide experience in all departments of life insurance, he will be able to supervise the Chicago department without difficulty.

G. F. Unger is the Chicago city manager. Under Mr. Kruse's direction it is expected that much more activity will be shown in the central west division.

Annuity Rate Increase Predicted for July 1

NEW YORK—Annuities—individual and group—are due for a general rate rise as of July 1, although no official announcements have yet been made. Probably little if any advance notice will be given, as it is not desired to stimulate an excessive production of business at present rates. Except for the group-writing companies, which will presumably act in concert, there is no indication as to how general the rate rise will be or how much it will amount to, although it is known that a number of the leading companies are fairly well decided on the move. The reason for the rate change is the low level of interest rates, coupled with the longevity of annuitants.

Dietz Case in Wisconsin Will Not BeAppealed

Regret Felt That Important Is- sue Is Not Taken to Highest Tribunal

MILWAUKEE.—With the closing of the estate of Leslie Dietz and an order by the court to pay proceeds of the estate, consisting of money from two policies, to the widow, it was definitely established this week that no appeal will be taken to the Wisconsin supreme court on the recent decision of Circuit Judge Kleczka upholding the constitutionality of the state law which provides that when any married woman is named the beneficiary of a life policy, the beneficiary cannot be changed without the woman's consent.

Facts in the Case

Dietz, who died in an automobile accident Nov. 18, 1937, left an estate consisting of two policies totaling \$5,000, issued by the Security Mutual. On borrowing \$400 from the Badger State Bank some months before his death, he changed the beneficiary of both policies from his wife to his estate, and then used the policies as collateral for the loan. The wife's consent to the change was not obtained, the policies having clauses reserving the right to the insured.

After his death the widow sued the administrator of her husband's estate to collect \$4,600 on the policies. She contended that under the Wisconsin married women's rights statute, as amended in 1931, the beneficiary changes without her consent were invalid. Judge Kleczka upheld her contention. The company was not involved except as to paying over the policy proceeds, the suit being against the estate.

H. R. Neubauer, attorney for the administrator, told the court that no funds were available to appeal the case. Several creditors had filed claims of \$1,800 when the widow brought suit but since none appeared after Judge Kleczka's decision to press their claims, the case was dropped and County Judge Karel closed the estate. Judge Kleczka expressed regret that the case was not to be appealed, as did life company officials and agents, as well as bankers and others who might be involved in future cases involving similar change in beneficiary. A high court ruling would set precedent and clear up points still in doubt.

Garner, Jones May Speak

GALVESTON, TEX.—Texas is all set for the National Association of Life Underwriters' annual meeting at Houston in September, Joseph S. Smith, Aetna Life, general convention chairman, reported at the Texas association's annual meeting here.

Mr. Smith said that all funds necessary for the entertainment of the visitors had been subscribed and paid by Texas companies. He is negotiating with Vice-President John Nance Garner and Jesse H. Jones, head of the Reconstruction Finance Corporation, to speak at the public meeting that will open the convention.

Social Security Topic Dominates Actuaries' Confab

V. R. Smith Is Reelected President at Annual Meet- ing in Chicago

Due to the fact that the first two of the three sessions at the annual meeting of the American Institute of Actuaries in Chicago were occupied with presentation of new papers, discussion of numerous papers presented at the last meeting and other business, the informal discussion was compressed and did not produce a great deal of material of interest to the business as a whole. The impression was given that discussion of social security is destined to occupy the attention of these actuarial meetings to an increasing extent for some time to come. It is interesting to note that several of the speakers said, in effect, that the problems of social security are not an exact science but they are in the realm of philosophy.

V. R. Smith, general manager Confederation Life, was reelected president, as were the two vice-presidents—W. F. Poorman, Central Life of Iowa and R. A. Hohaus, Metropolitan. W. D. MacKinnon, Equitable of Iowa, was reelected secretary. W. M. Johnson, Central Life of Illinois, who had served as treasurer for 10 years, desired to be relieved of that responsibility and Ross E. Moyer, Continental Assurance, was elected in his stead. Mr. Johnson was given official applause for the services as one of the new governors.

Marshall Still Librarian

E. L. Marshall, Lafayette Life, was reelected librarian. New governors in addition to Mr. Johnson are Elgin Fassel, Northwestern Mutual, and C. A. Taylor, Life of Virginia.

Much interest was taken in the announcement by Mr. Hohaus of the arrangements for the joint meeting in New York in October of the Institute and the Actuarial Society which will be attended by from 25 to 50 actuaries from Great Britain. Mr. Hohaus is chairman of the program committee for that meeting. At the International Congress of Actuaries in Paris last year, Mr. Hohaus said, several of the leading British actuaries expressed desire to visit the United States. From that conversation the plans developed. The first idea was to entertain the British actuaries in 1939 during the New York world fair but this was not convenient for the Britons. They expressed a preference to have the meeting in New York. They will land in Canada and be entertained in that country and then will go to New York and may possibly make a visit in Washington. The meeting, he said, will not be an international congress. The British actuaries, he said, expressed the

(CONTINUED ON PAGE 24)

Tells Use of Direct Mail

Nelson A. White, Advertising Manager Provident Mutual Life, Gives Some Pointers for Companies with Limited Budgets

The agent and not the company is the one big factor in the sale of life insurance, said Nelson A. White, advertising manager Provident Mutual Life, in speaking before the Eastern Round Table of the Life Advertisers Association in New York on "Promoting the Use of Direct Mail."

Mr. White referred to a survey conducted by the Curtis Publishing Company a few years ago in conjunction with the Life Insurance Sales Research Bureau. This survey indicated that 38.8 percent of the male ordinary policyholders claim they selected the company themselves, with 58.5 percent admitting that the company had been selected or suggested by the agent. "Only 24 percent of the male ordinary policyholders had known the agent from whom they bought a policy less than two years, and over half of them had known the agent for at least five, proving that acquaintance and confidence in an agent is a very important factor," said Mr. White. Further referring to the survey, he said: "Women were a little bit more trusting—39 percent bought from agents whom they had known for less than two years, while the majority had known the agent over a longer period of time. Figures such as these, buttressed by actual experience, give us something to think about. If it is true the agent and not the company is the prime factor in the sale of life insurance, should a life insurance organization with a limited advertising budget use by far the major part of it to advertise the company in national media, or should it use the major part to advertise the agent among that group of persons which he can legitimately hope will form his clientele?" asked Mr. White.

Maximum Service to Agent

He pointed out that the job resolved itself into selling the persons with whom one is acquainted and becoming acquainted with more and more persons. The Provident Mutual, he said, had gone in heavily for advertising which was of maximum service to the agent in building and maintaining prestige with his immediate clientele. "How can this

effectively be accomplished?" asked Mr. White. "Certainly not by national magazine advertising, because there the agent can be advertised only as a symbol and not as an individual. Furthermore, with an active field force of approximately 1,000 men, a page of advertising in the 'Saturday Evening Post' could not be expected to cover more than a fraction of the specific working clientele of our agents, although it could be expected to cover millions of persons whom our agents had never seen and would never see. Certainly newspaper advertising does not furnish the answer, because to advertise our agents in their local newspapers would necessitate such a tremendous budget that a company of our size could not possibly maintain it. For relatively small companies which operate in an extremely limited territory, it is possible to use newspaper or radio advertising on a scale that will cover the markets but not run up too big an appropriation. But for a company that is spread over the entire length of the United States, yet whose active agency representation is limited to a number of strategically located urban centers, any periodical circulation would be sure to omit large numbers of persons whom we must reach and to include vast numbers of persons who would never be of any value to us at all. Thus our whole problem has resolved itself into one of direct advertising," said Mr. White.

Provident Mutual Plan

He then gave an explanation of how the Provident Mutual planned its advertising and the advertising devices which have been set up. An agent puts 10 names in the plan for the month of June. In the direct mail manual are suggested two types of pre-approach letters which the agent may send in advance of his call. Mr. White said that one of them is processed by the home office, contains an illustration and a personalized salutation to the prospect and is signed by the agent; the other type to be written by the agent on his own letterhead or sent by the general agent on his letterhead. Other suggested letters

to be sent after the interview in order to summarize the sales points made by the agent and pave the way for future calls, are given in the company manual.

"It is not 10 names a month—that would not offer sufficient work," he declared. "It is 10 fresh names a month, plus a huge accumulated total of deferred prospects who are also to be called upon." He said a series of monthly blotters were available to agents to send to deferred prospects and can be supplemented by calendar cards, memorandum books, etc. A new quarterly magazine called "Futures" with the agent's card imprinted across the front is also used as a direct mail piece.

Mr. White said he had visited 30 of the most important agencies of the company in order to hold individual interviews with each of the producing agents in those agencies and discussed ways and means of formulating, individualize, direct mail program that will suit their personal needs and situations. National advertising, he said, never had been thoroughly taken to the heart of the average Provident Mutual field man. "To him it was a company project of which he was not a part and it touched him only indirectly," said Mr. White. "Instead of being a part of the field process, which it should have been, it seems an unrelated and somewhat distant field. This new program has been taken into the bosom of the Provident agent. It is his campaign. He is not only a part of it, he is it."

Chapman Lists Five Steps in Cultivating Prospects

Successful cultivation directly affects and stimulates all steps of the selling process, declared W. R. Chapman, sales promotion director Northwestern Mutual Life, before the spring meeting of the Insurance Advertising Conference in New York. Mr. Chapman discussed "Cultivating Prospects for Life Insurance," and gave some illuminating remarks on the way his company operates in its promotion department.

"First and foremost," he said, "emphasis is placed on prospecting, because all production begins with prospecting. Second, we stress organizing. Our program includes: A file with a Monday to Saturday section, to emphasize weekly planning and production; a one to 31 section (always a month beyond the present week's work for postponement, etc.) and an alphabetical-age change

Charlie Gehringer Buys \$100,000 Endowment Policy

DETROIT—E. J. Dore of the Johnston & Clark general agency of the Mutual Benefit has signed up Charlie Gehringer, widely known Detroit "Tiger" baseball player, for a \$100,000 ten-year endowment on an annual premium basis.

section. Also a prospect inventory of the ready-to-be-sold group of prospects and advertising control sheet for listing, alphabetically, all prospects. This is keyed according to the degree of cultivation needed, and provides 12 columns (months) for recording kind of cultivating material used," he stated.

Qualifying New Prospects

"Third, we come to qualifying new prospects, meaning an adequate number for each agent according to the pace which he works habitually and the length of time he has been in the service," continued Mr. Chapman. "A good program will get many prospects to indicate their interest and financial qualifications in advance of personal interviews.

"Fourth, interviewing, which means, of course, on a favorable basis, such as a closing conference." Mr. Chapman asked if cultivation, if properly designed, helps agents get these all important opportunities to close, stating that records of thousands of premium enclosure reply cards and hundreds of thousands of direct mail letters answer: any agent, in city, mixed or rural fields, can pave the way and lay tracks to interviews with better prepared prospects and be a better prepared agent when he gets there.

"Fifth, Mr. Chapman gave recording, which means keeping the essential records any good business would include. He asked if cultivation would help the notoriously "unbusinesslike" and "record-hating" salesmen to be more efficient. "A good cultivation program will intrigue and entice many an agent into keeping of essential records, formerly despised as drudgery," he said.

E. D. Duffield, president of the Prudential, and Mrs. Duffield will sail on June 25 on the French liner "Paris" for a two months' trip abroad. They will visit Ireland, England, France, Holland and Portugal.

AT MEDICAL SECTION OF AMERICAN LIFE CONVENTION



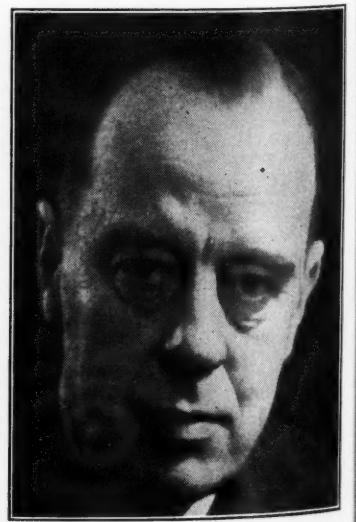
DR. HENRY W. COOK, Minneapolis



DR. W. A. JAQUITH, Columbus, O.



DR. WILLIAM MUHLBERG, Cincinnati



W. H. DALLAS, Hartford

At the annual meeting of the Medical Section of the American Life Convention next week at Grove Park Inn, Asheville, N. C., Dr. Henry Wireman Cook, vice-president and medical di-

rector of the Northwestern National Life, will act as chairman of the golf committee. Dr. W. A. Jaquith, medical director of the Columbus Mutual Life, leads the discussion on the paper to be

presented by Dr. W. H. Cole of the medical department at the University of Illinois on "Factors in Prognosis and Mortality of Gall Bladder Diseases." Dr. William Muhlberg, medical director

Union Central Life, leads the discussion of the paper by A. J. Koeppel, assistant actuary Union Central Life, on "Southern Mortality." W. H. Dallas, vice-president Aetna Life, talks on "Habits."

Super-regulation Is Main Cause for Railroads' Ills

President Perry Addresses Massachusetts Mutual Agents' Association Rally

SWAMPSCOTT, MASS.—Super-regulation is the heart of American railroads' difficulties, President B. J. Perry, Massachusetts Mutual, stated in an address at the Agents Association convention held here this week. Other basic reasons are competition, much of it unregulated, some existing only because of government subsidies; high wages, more than \$5,000,000 daily, 43 cents out of every dollar the railroads receive, being paid to employees; and taxes, which amount to practically \$1,000,000 daily. His comments were especially interesting to life insurance men because of the life companies' large investments in railroad securities.

"Supervision and regulation are desirable, of course," President Perry said, "and up to a certain point necessary. But beyond that point it results in nothing more than discouraging and stifling initiative and efficiency. When you find someone standing right over a child or a man or a business, and directing every word that is spoken and every move that is made, then you can make up your mind that the end result is going to be anything but satisfactory."

Sanity Returns in Cycles

"It is of little consequence that the sponsors of the current plethora of wonderful and romantic schemes may be motivated by the highest ideals. There may be much satisfaction, though, in knowing that this sort of thing moves in more or less regular cycles, and that at the end of each orbit we return to a period of sanity and prosperity."

He discussed mortgage loans as a preface to showing that railroad bonds are an evidence of debt usually secured by a lien upon property, or in other words, a mortgage. He pointed out that the bond may be a lien on only a small part or section of a railroad and not, as is popularly understood, upon the whole system. So long as business is good and earnings are maintained there is little difference whether the security is a senior mortgage bond or one not so amply secured. However, if purchase of railroad bonds is restricted to such issues as are senior in earning capacity as well as in name, the portfolio will be much stronger.

Test of Portfolio

The real test of a railroad bond portfolio, he said, is not simply whether the issues owned are in solvent companies and systems, but in what parts of those companies and systems, and on what bases of mortgage obligations. This is the principle that the Massachusetts Mutual investment officers follow, and it accounts for the fact that the company has had little difficulty in the past investing in this field.

President Perry said U. S. railroads have an investment of about \$26,000,000,000 and in spite of increased competition from other types of carriers still transport at least two-thirds of all consumable and durable goods produced, amounting last year to 959,000,000 tons. The national income, he said, comes almost entirely from production of such goods.

"To attempt to say, however, that the

Carpenter Resigns from California Department

Insurance Commissioner Becomes Manager of Pacific Board of Fire Underwriters

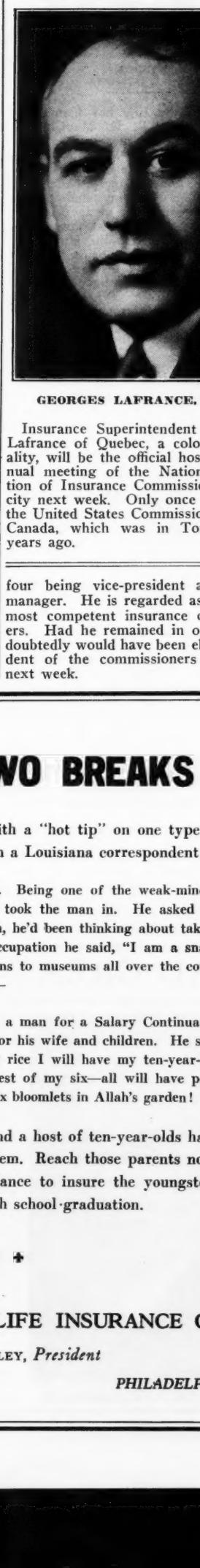
SAN FRANCISCO.—Commissioner S. L. Carpenter resigned this week effective July 15 to become manager of the Pacific Board of Fire Underwriters. H. F. Badger, present secretary-manager of the board, is to remain as secretary.

In presenting his resignation Mr. Carpenter made a public statement in which he said: "As I have previously stated in public utterances, it has been my desire to retire from public life to assume a position in the insurance business, to which I have devoted practically my entire life, I should like it to be known that the financial security for myself and family and the added opportunity for the future which a state position does not afford, were the sole motives for my resignation."

He expressed "considerable reluctance" to part from the service of the state which he has served as commissioner since March, 1935.

The appointment of Mr. Carpenter to the managerial position was confirmed by a full meeting of the Pacific Board Tuesday.

Mr. Carpenter is vice-president of the National Association of Insurance Commissioners and is now on his way to Quebec to attend the annual meeting. He was born April 11, 1890, at Denver and he attended the University of Colorado and later the University of California. He had been engaged continuously in the insurance business since he graduated from college until he was appointed commissioner. For 14 years he was with Rule & Son, insurance agents and brokers at Los Angeles, the last



Insurance Superintendent Georges Lafrance of Quebec, a colorful personality, will be the official host at the annual meeting of the National Association of Insurance Commissioners in his city next week. Only once before have the United States Commissioners met in Canada, which was in Toronto some years ago.

four being vice-president and general manager. He is regarded as one of the most competent insurance commissioners. Had he remained in office he undoubtedly would have been elected president of the commissioners association next week.

THE PENN MUTUAL LIFE INSURANCE CO.

W. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Agents Association of Massachusetts Mutual in Session

Solid Sales Food Provided at Swampscott, Mass., by Men Doing the Selling

By RALPH E. RICHMAN

SWAMPSCOTT, MASS.—Five hundred seventy-five attended the annual convention of the Massachusetts Mutual Life Agents Association at the New Ocean House here this week. Anthony E. Veith, St. Louis, is president. This was distinctly the agents meeting. They provided nearly all the program and set a standard of performance ranking with the best sales congresses. The convention theme this year was "Fulfilling Our Obligations through Quality Underwriting."

Bertrand J. Perry, Massachusetts Mutual president, received a greeting at the opening session Monday which was ample evidence of the loyalty of the agency force to him personally and their approval of his executive direction. This approval is based not only on a conviction that the company is being well managed but also upon specific acts of President Perry which the agents mentioned.

Strong Agency Loyalty

They name most frequently the continued granting of certain optional privileges by the company, particularly as a matter of contrast. Mr. Perry looks like a president in any gathering. His appearance on the agency convention program is a visible symbol to Massachusetts Mutual agents of their company's position.

The address of Vice-president Alexander T. Maclean on "Let's Have the Facts" is to be reprinted in booklet form for public distribution. It is a convincing and readable answer to the critics of life insurance.

The inspirational highlight in the sales discussions was the talk of Mrs. Romola Ed. Hardy, Charlotte, N. C. She wrote 47 lives for \$200,000 her first nine months in the city, beginning in March, 1937, and continued her pace in 1938. She told about her achievement with definite outlines of methods and principles, providing solid sales food served with a charm and precision which mark her as a topnotch speaker as well as saleswoman.

Discuss Tax Law

The new tax law was discussed briefly at the taxation and business insurance session Tuesday morning. Burt H. Wulfekeeter, Cincinnati, said the new law was not as favorable as the old law for writing "key man" insurance. He also pointed out that the new law in allowing a deduction of the first \$4,000 of gifts to any one person in each calendar year "other than gifts in trust or of future interests" will prevent duplicating some present arrangements, particularly involving minor children. Answering questions from the floor, Mr. Wulfekeeter said that to the accountant should be left the details of bookkeeping, which would show, for instance, that a premium had been paid out of surplus or that the cash value of a key man policy carried as an asset was offset by a depreciation reserve of equal amount on the liability side. But the life insurance man can and should pass on these ideas to the accountant, establishing a reciprocal business relation with him.

Joseph J. Coburn, Detroit, explained that many wealthy men, owning sub-

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(CONTINUED ON PAGE 28)

Lapse Prevention in Canada Being Emphasized Now

Ward Phelps of Sales Research Bureau Gives Current Views on Problem

Ward Phelps, consultant of the Life Insurance Sales Research Bureau, presented two programs in Canada the past week. He spoke before the Canadian Conservation Association Monday, in Toronto, and before the Canadian Association of Life Agency Officers Wednesday, in London, Ont., in each case discussing conservation trends in Canada.

There has been great increase in attention given to conservation matters in the past few years, he said, whereas during prosperity years attention was directed to production of new business. "Life insurance placed on the books during the comparatively prosperous recovery period is now in its second, third, or fourth years, the most critical years so far as persistency rates are concerned. In other words, this business is being subjected to double pressure: that of being in a stage when all policies, regardless of external conditions, are more likely to lapse than at any other time, with the additional factor of a falling off in general business.

Notes Lower Standards

"At a time of financial stringency such as this, the agent in the field, feeling the pressure for production on the one hand and the economic pressure on his own pocketbook on the other, may lower his usual standards and unconsciously submit business to the company which, though acceptable, is not of such high quality as is usually submitted. Such a trend, of course, will reveal itself eventually in higher lapse rates." Mr. Phelps added that "the general lowering of interest rates which life insurance companies can earn makes it increasingly difficult to compete with government subsidized or partly government subsidized arrangements."

Setting the 1925-26 Canadian lapse ratio at a base of 100 for a representative group of about a dozen Canadian companies, Mr. Phelps presented a com-

(CONTINUED ON PAGE 28)

Manning and MacCharles Head the Great-West Life

Named Joint General Managers with Baker as Assistant in Charge of Agencies

The Great-West Life has named H. W. Manning and F. D. MacCharles, formerly assistant general managers, joint general managers. Mr. MacCharles will also continue to be actuary. H. A. H. Baker, formerly superintendent of agencies, will be assistant general manager and superintendent of agencies.

Mr. Manning was born in Toronto in 1889 and graduated from the University of Toronto. His entire business career has been spent in life insurance work. For a number of years he served the North American Life as branch office executive and later went with the Home Life of New York as agency executive. In 1931 he was appointed assistant general manager of the Great-West Life. He is vice-president for Manitoba of the American Life Convention and chairman of the Agency Section.

Mr. MacCharles has been intimately associated with the growth and progress of the company. He was born in Nova Scotia and graduated in 1909 from the University of Manitoba. Two years were spent in post-graduate work in mathematics at Princeton University, from which he received the master of arts degree. He joined the Great-West Life in 1911 and became a fellow of the Actuarial Society in 1919. In 1920 he was appointed assistant actuary and rose to actuary early in 1921. In 1931 he was appointed assistant general manager and actuary.

Baker Long in the Field

Mr. Baker was born in Winnipeg in 1892. He was educated at St. John's College. Prior to 1923 he was associate general agent of the Equitable Society at Winnipeg and agency manager of the Equitable in New York City. From 1923 to 1933 he was with the Sun Life of Canada serving as branch manager in Sherbrooke, Quebec, and Minneapolis. He joined the Great-West Life in 1933 as branch manager in Winnipeg and in 1934 became manager at Toronto. For the past six months he has been superintendent of agencies with headquarters in Winnipeg. Prior to his appointment as superintendent of agencies, Mr. Baker was a director of the Life Underwriters Association of Canada and had previously been vice-president for Quebec. He was president of the Life

Cyrus K. Drew's Years Among Insurance Men

Cyrus K. Drew, editor of the "Western Underwriter" of San Francisco, has just published a magazine in booklet form entitled "Half a Century of Insurance." It is full of historical facts and reminiscences, but contains numerous articles upon modern phases of the business written by nationally known insurance executives in all branches of insurance. Mr. Drew's volume is handsome in appearance, attractively made up and reveals in a broad, comprehensive way the march of insurance events between 1887 and 1937.

Mr. Drew's Career

"Sigh" Drew is an able, witty and sometimes sarcastic writer, who knows what he wants to say and how to say it. His "Pencillings by the Stroller," column has been eagerly read by those in the insurance business for considerably more than a quarter of a century. He began his insurance career in 1887 with the first fire insurance rating board in the south which was organized in New Orleans. His career in insurance journalism began when he started to send to the old "Insurance Herald" of Louisville a weekly news letter. His work attracted the attention of Young E. Allison, and after a few months, Mr. Allison brought him into the Louisville office of the "Insurance Herald" to succeed E. J. Wohlgemuth, now president of THE NATIONAL UNDERWRITER, who was at that time (1897) leaving the "Insurance Herald" to organize the "Ohio Underwriter," later to be known as the "Western Underwriter" and now THE NATIONAL UNDERWRITER. In 1902 Mr. Drew went to Denver to take over the "Insurance Report" where he remained until 1931, when his paper was merged with the "Pacific Underwriter" and renamed the "Western Underwriter."

In compiling "Half a Century of Insurance" Mr. Drew's memory has served him well. He recalls the interesting events of the old days and writes knowingly of those who were prominent in other years. What he has written and compiled is an important contribution to the literature of insurance, and will be read with real interest by insurance men countrywide.

Managers Association of Toronto when he was called to Winnipeg as agency superintendent. He has a C. L. U. degree. In Minneapolis, he was president of the life underwriters association and president of the managers association.

Sam Hay Elected Texas President at Annual Meet

Tribute Paid to Douglas for Outstanding Work — Membership 1,139

GALVESTON, TEX.—Sam R. Hay, Jr., director of the Houston agency of the Great Southern Life, was elected president of the Texas Association of Life Underwriters at the annual meeting here. He succeeds O. D. Douglas, San Antonio, Texas, general agent of the Lincoln National Life. Mr. Douglas was given a tremendous ovation for his fine work during the year. On motion of O. Sam Cummings, president of the



SAM R. HAY, JR.

National association, a resolution commending Mr. Douglas will be printed on parchment, appropriately illuminated and presented to him.

Five regional vice-presidents were elected as follows: R. Barney Shields, Great National Life, Dallas; H. B. Wernette, National Life & Accident, Corpus Christi; Felix Hargis, Jefferson Standard, San Angelo; H. D. Mouzon, Jr., Amicable Life, Fort Worth, and Allen Bruce, Pacific Mutual, El Paso. The secretary will be appointed by President Hay. San Angelo was unanimously chosen for the 1939 convention city.

Continue Speakers Plan

Mr. Hay declared that two things would feature his administration, continuation of the speakers' supply work for local associations, inaugurated by Mr. Douglas, and more emphasis on the Chartered Life Underwriter movement in the state.

A substantial gain in membership was noted by O. P. Schnabel, San Antonio, membership chairman. Membership totals 1,139, compared to 1,060 last year. The association is now waging a vigorous membership drive so that a very favorable picture will be presented when the National association visits Houston and Texas in September.

Joseph S. Smith, Aetna Life general agent at Houston and general chairman of the National convention committee, announced that Houston is now ready for the visitors.

Probably most significant of convention happenings was the very favorable increase noted in the membership in the

(CONTINUED ON PAGE 23)



H. W. MANNING
Joint General Manager of Great-West Life



F. D. MACCHARLES
Named Joint General Manager and Actuary



H. A. H. BAKER
Assistant General Manager and Superintendent of Agencies

National Negro Insurance Body Announces Meeting Program

The program for the annual meeting of the National Negro Agents Association to be held in Cleveland, June 15-17 is announced. The official hosts are the Supreme Liberty Life and the Dunbar Mutual. G. D. Rogers, president Central Life of Tampa, is head of the organization. L. C. Blount, secretary Great Lakes Mutual of Detroit, is first vice-president; G. W. Hill of Winston-Salem, N. C., president Winston Mutual Life, second vice-president; H. L. Street of Louisville, secretary Mammoth Life & Accident, third vice-president; Dr. R. L. Brown, medical director Afro-American Life of Jacksonville, Fla., fourth vice-president. C. L. Townes of Richmond, Va., secretary Virginia Benefit Life, is the association secretary and A. M. Carter of Augusta, Ga., comptroller Pilgrim Health & Life, assistant secretary. C. H. Fearing, Sr., of Washington, D. C., Washington Managers Insurance Association, is treasurer; J. H. Lewis of Jacksonville, Fla., president Afro-American Life, chaplain; Cyrus Campfield of Atlanta, assistant agency director Atlantic Life, statistician; W. E. Stewart, secretary Supreme Liberty

Life of Chicago, chairman executive committee; H. H. Pace of Chicago, president Supreme Liberty Life, general counsel; Miss Esther Tibbs of Jacksonville, actuary Afro-American Life, association actuary, and M. S. Stewart, vice-president Universal Life of Memphis, historian. Mr. Stewart is chairman of the program committee. The program is as follows:

Morning Session, June 15

Meeting called to order at 10 by President G. D. Rogers.

Invocation by the chaplain, J. H. Lewis.

Reading of minutes.

Introduction of visitors.

Annual report of the secretary, C. L. Townes.

Annual report of the actuary and statistician, Miss Esther O. Tibbs.

Annual report of the historian, M. S. Stewart.

Afternoon Session, June 15

Musical selection, Dunbar Mutual Chorus.

Report of the executive committee, W. Ellis Stewart, chairman.

President's annual address, G. D. Rogers.

Discussion—Cooperative Steps Which the Association May Take for the Improvement of Labor Conditions Affecting Policyholders and Prospects of Member Companies, by L. C. Blount, secretary Great Lakes Mutual.

Musical selection, Dunbar Mutual Chorus.

Discussion, The Underwriter's Responsibility to the Public and to the Profession of Life Insurance, by Attorney B. V. Lawson, Jr., counsel Washington Underwriters Association and general counsel New Negro Alliance.

Memorial services conducted by J. H. Lewis, chaplain.

Wednesday Evening, June 15

Public Meeting.

J. F. Morning, Cleveland manager Supreme Liberty Life, master of ceremonies.

Congregational singing, Negro National Anthem, led by St. James Young People's Choir.

Invocation, Rev. Wade H. McKinney, pastor Antioch Baptist Church.

Greetings to the association:

a. Introduction of the mayor, by L. O. Payne, vice-president, Dunbar Mutual.

b. On behalf of the city of Cleveland, H. H. Burton, mayor.

c. Introduction of superintendent of insurance by M. C. Clarke, president Dunbar Mutual.

d. On behalf of business and professional interest, by Harry E. Davis, attorney.

f. On behalf of the churches, by Rev. Oliver Quick, pastor, Corey M. E. Church.

Response on behalf of the association, by J. Thomas Walker, vice-president and agency director Pilgrim Health & Life, Augusta, Ga.

Introduction of speaker, by Harry H. Pace, president Supreme Liberty Life.

Address, The Progress of Negro Business, Financed by Negro Capital, Robert L. Vann, editor, "Pittsburgh Courier."

Presentation of service loving cup to W. Ellis Stewart, former secretary National Insurance Association, in recognition of 12 years of distinguished service, by C. L. Townes, secretary-manager Virginia Mutual Benefit Life.

Presentation of the collection month awards, by G. D. Rogers, president Central Life.

(a) Industrial collections.

(b) Ordinary collections.

Expression of thanks to the public for their support during National Negro Insurance Week, by George W. Cox, chairman National Negro Insurance Week committee and vice-president agency director North Carolina Mutual Life.

Morning Session, June 16

Report of committee on nomination.

Introduction of resolutions.

Paper, Charting Our Course for the Future, Asa T. Spaulding, actuary North Carolina Mutual Life.

Discussion, Cardinal Points of a Sound

(CONTINUED ON PAGE 30)

92 YEARS of DEPENDABLE PERFORMANCE



Big Enough Then

This little safe was sufficient to take care of the business needs of The Connecticut Mutual during its early years, and is symbolic of the relatively small amount of life insurance bought in the 1840's. In fact, the total volume of new sales for all companies at that time didn't exceed \$12,000,000 a year.

Today, the worth of life insurance is so widely recognized that the underwriters of America sell \$12,000,000 of life insurance each day before they're ready to go to lunch. Based on the annual production of the past several years, it is safe to say that life insurance men will sell at least one thousand times \$12,000,000 of new business during the next twelve months.

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

Order Metropolitan Life to Bargain with C. I. O. Industrial Agents Union

NEW YORK—The New York state labor relations board has ruled against the Metropolitan Life's contention that its agents, because of the nature of their work, do not come under the state labor relations act. The board directed the company to bargain collectively with the C. I. O. Industrial Agents Union, which won the election held April 13 among Metropolitan agents in the New York City area. The company still has the right to ask the board for a review of its decision or to take the matter to court.

Where a company is ordered to bargain collectively with a union, there is no compulsion to come to an agreement, although recent national labor board decisions indicate that bargaining "in good

faith," as required by the law, means that some sort of agreement must be reached. If negotiations reach a stalemate, the union still has the alternative of complaining to the labor board. It would then be up to the board to decide which side was guilty of taking an arbitrary and unreasonable stand.

American Management Group Elects Three Insurance Men

NEW YORK—J. H. Nickell, insurance manager Philadelphia Electric Co., was reelected at the American Association annual meeting as vice-president in charge of the insurance division. J. L. Madden, vice-president Metropolitan Life, was elected treasurer.

A former insurance executive, Dudley Cates, vice-president Commercial Investment Trust, was elected a director. He was for a number of years with Marsh & McLennan.



STUDY THE SHINGLES

These signs proclaiming business partnerships are plentiful in any community.

They tell a story of mutual regard and confidence that is typical of such associates, whether they number two or several.

Such partners or the principals in an incorporated enterprise usually are interested in life insurance for business purposes, when they learn what it can do for them.

Make them your prospects!



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N.J.

Ohio National Plans for Its Agency Convention

Results in Production Reveal the Advantages of Carefully Laid Program

Sixty-five Ohio National Life agents qualified for the Builders Club meeting July 24-28 at Mackinac Island, Mich., by far the largest number ever to attain the \$150,000 minimum paid for requirement in its history. In addition, 29 of the 65 qualified for their wives' expenses. Practically every state in which the company operates will be represented by one or more members.

A large number of the representatives, 26, also attained membership in the Quarter-Million Dollar Club, for which qualification began May 1 of this year. Members of that club will be guests on a stag fishing trip in the Rainy River country, Canada, July, 1939.

The program for the Builders Club has many interesting entertainment features as well as the business sessions. The party will arrive at the Grand Hotel July 24. Following registration and luncheon, the afternoon will be open, dinner and a concert being scheduled for the evening. A business session will be held Monday morning followed by a golf tournament, bridge for the ladies, tea dancing, and a beach party. There will be a business session Tuesday morning, followed by a group luncheon, island tour, banquet, and dance. On Wednesday, a fishing trip and swimming party are scheduled. Thursday morning is open.

New Monthly Production Reports

For a period of nearly one and a half years, new monthly production records have been established each month over the corresponding month in the preceding year. For the first quarter, the company had a gain of 27 percent over the same period in 1937. The Ohio National has continued to go ahead with its agency development program despite the recession and is now realizing the fruition of its carefully laid plans, features of which have been regional conferences that have enabled the field and home office supervisory staff to work together closely and harmoniously, direct mail, and advertising. J. H. Evans, vice-president; W. H. Harrison, actuary and assistant secretary, and Grant Westgate, assistant superintendent of agencies, have held a series of carefully prepared agency meetings throughout the territory. E. E. Kirkpatrick, superintendent of agencies, and A. W. Theiss, manager sales promotion, cooperating at the home office.

Average Production

An interesting fact about the field men who have qualified is that the average production is \$190,000, \$40,000 above the requirement. The oldest to qualify in point of service is J. W. Millholland, general agent, Columbus, O., and the youngest in point of service, R. C. Roberts, Lansing, Mich., who has been with the company but three months. Ten agents qualified who were with the company a year or less. Representation by states is as follows: Pennsylvania, 10; Ohio, 9; California, 6; Iowa, Missouri, Nebraska, 5; Michigan, Washington, Texas, 4; Colorado, Wyoming, 3; Minnesota, South Dakota, 2; Illinois, Arkansas, Tennessee, 1. President T. W. Appleby will be one of the principal speakers.

Walsh to Cleveland

George G. Walsh has been transferred from Little Rock, Ark., to Cleveland as manager of the Aetna Life's group department. He headed the group department of the Gordon H. Campbell agency at Little Rock and previous to that was group department manager at Atlanta for the Aetna.

Dr. J. W. Glover Is Honored by His Actuarial "Grads"

About 125 including graduates of the actuarial school at the University of Michigan, and their wives, attended the dinner in Chicago, honoring J. W. Glover, who is retiring as the head of that department which he organized. Ralph R. Lounsbury, president of Bankers National Life and of Atlantic Life, was toastmaster. Special guests included Prof. H. L. Rietz of the University of Iowa, L. A. H. Warren of University of Manitoba, and V. R. Smith, general manager of Confederation Life and president American Institute of Actuaries. The dinner was held the evening of the first day's session of the annual meeting of the American Institute.

Mr. Lounsbury called on all the graduates to identify themselves by the class of their graduation. O. W. Perrin, Penn Mutual, was the only graduate present from the first class, that of 1903. E. L. Marshall of Lafayette Life was the next oldest graduate, his class having been 1908.

O. W. Perrin Presents Fund

Mr. Perrin in behalf of the assemblage, presented to the University of Michigan a scholarship fund to be used to help defray the tuition expenses of deserving students. The fund will be a memorial to Dr. Glover. Shirley W. Smith, vice-president and secretary of the University of Michigan, accepted the gift and T. Hawley Tapping, secretary University of Michigan Alumni Association, spoke briefly.

Dr. Glover responded. A. J. McAnless, executive vice-president Lincoln National Life, who originated the idea of the dinner, made a talk. The details of the meeting were arranged by W. O. Menge, who has just gone with Conservative Life of Indiana, and who until recently was Dr. Glover's assistant at the university.

Dr. Glover was a pioneer in introducing the study of applied mathematics to statistics and insurance. He graduated from the University of Michigan in 1892, got his superior degrees at Harvard, returned to Michigan in 1896 in the mathematics department and has been continuously connected with that department except for two years when he served as president of Teachers Insurance & Annuity.

Gets Service on Unlicensed Operator in Kentucky

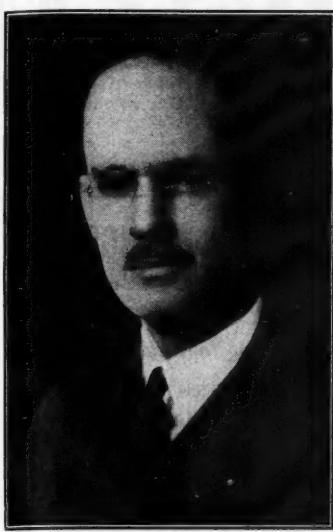
The efforts of Majestic Life Association of Denver to avoid legal service in Kentucky met with failure in the decision of the Kentucky court of appeals in Majestic Life vs. Sowder. A \$1,000 policy in Majestic Life was taken by Sowder and his wife at the instance of one Hamlin, who solicited the business and collected the first premium. Mrs. Sowder subsequently died. Proofs were sent to Majestic Life but it failed to pay. Process was issued and served on Hamlin.

"Not Company," Is Claim

Majestic Life set up the argument that it is not an insurance company and, therefore, the service of summons was not valid. The court stated that whether Majestic Life is a life insurance company is not material. It is a corporation and it had an agent in Kentucky soliciting members, taking applications and collecting the first premium. He was still the agent of Majestic Life at the time of service. The application was made in Kentucky and the policy was delivered in that state.

Majestic Life is amenable to process whether it is an insurance company or not. It voluntarily came into Kentucky through its agents and it should be subject to the jurisdiction of the courts of Kentucky as to any matters arising through that agency.

Old Time Friend



R. LEIGHTON FOSTER, Toronto, Can.

General Counsel R. Leighton Foster of the Canada Life Insurance Officers Association will present a paper at the annual meeting of the National Association of Insurance Commissioners to be held next week in Quebec. Mr. Foster was Ontario insurance superintendent when the United States commissioners met in Toronto some years ago, the first time they crossed the boundary. He never fails to attend a convention of the commissioners and hence is one of the best known men, now of the "third house." He has addressed the organization two or three times before.

D'Olier Speaks on the Coast

Vice-president of the Prudential Discusses Some of the Problems at the Del Monte Conference

By FRANK W. BLAND

DEL MONTE, CAL.—Vice-president Franklin D'Olier addressed 550 Prudential delegates at the Pacific coast two-day conference here. Ordinary managers, superintendents assistants and qualifying agents heard him discuss present day problems and their relation to those of field organization. Life companies, he said, should provide the greatest number of people with greatest protection at a cost consistent with safety. He said asset losses were greatest during the last seven years. Neither company nor agent can control interest rate. A drop of just 1 percent in interest rate affects the assets of the Prudential some \$35,000,000 per year. The Prudential is not only prepared to face present problems but also is well equipped to meet anticipated ones.

Sanborn's Office Enlarged

Recent expansion of its force of staff agents has made it necessary for Paul C. Sanborn, general agent for the Connecticut Mutual in Boston, to enlarge his offices at 49 Federal street. This makes the third time since the founding of the Sanborn Agency in the fall of 1932 that more space has been added to the quarters which have always impressed visitors as demonstrating a pleasing and desirable trend toward the attractiveness of modern design and decoration.

WANTED—LIFE MANAGER
For life department of well established Chicago general insurance agency. Must have ability to recruit and train men in life insurance selling. Reply, giving age, experience, salary expected.
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THE NATIONAL UNDERWRITER.

Companies Contesting the Connecticut Tax Ruling

Contend That Their Agents Are Not Employees Under the Compensation Act

HARTFORD—Insurance companies have started a fight against the claim by Connecticut that their agents are employees within the meaning of the state unemployment compensation act, and that they must pay taxes on the earnings of agents. A writ was filed in the Hartford county superior court by the Northwestern Mutual Life, asking an injunction to prevent the labor commissioner from collecting the tax. All companies doing business in the state through general agents will be affected by this decision, which Deputy Attorney General O'Connor points out is the first judicial test of this phase of the law, though it is in effect in several states.

An opinion was handed down some weeks ago that insurance agents are employees and that the companies which employ them are subject to the tax. The Northwestern Mutual claims that it has no office in Connecticut, doing all its business through a general agent, G. B. Dorr of Hartford, who makes arrangements with the district and special agents, but the company makes no direct contracts with them.

The company cites the ruling of the Bureau of Internal Revenue at Washington, D. C., which holds that insurance agents are not employees within the meaning of the social security act.

Commissioners Special Trains Are Arranged

Commissioner A. J. Ham of Cheyenne, Wyo., who is promoting the special train from his city to Montreal and from thence by boat to Quebec to attend the National Association of Insurance Commissioners annual meeting, states that already there are three Pullmans out of Chicago. He is hoping to have enough to get a fourth. There are 55 signed up for the boat trip from Montreal to Quebec. The Ham excursion will spend Sunday in Montreal and leave that night for Quebec. Commissioner Ham is chaperoning the crowd and is responsible for its physical and spiritual welfare. Reservations can be made at Chicago by Passenger Agent Martin of the New York Central.

Arrange Special Car

A special car will carry a delegation from Ohio to the National Convention of Insurance Commissioners, the party leaving June 12. There will be Superintendent R. L. Bowen, Actuary W. A. Robinson, Raymond Rhoads, assistant to the superintendent, and Warren L. U. Jeffries, Ohio department; Attorney General H. S. Duffy and H. Kreinberg of the attorney general's office; John A. Lloyd, secretary, and Paul Gingher, counsel Ohio Association of Insurance Agents; C. S. Younger of the Cooperative Life, H. S. Ballard, counsel Farm Bureau; Claris Adams, president Ohio State Life; W. C. Safford, vice-president Western & Southern Life, and Dale Dunifon, former assistant attorney general, representative of the Ohio Bar Association.

The train carrying the party out of New York City will leave at 11:30 p. m. Monday. Edward McLoughlin, deputy superintendent of New York, is in charge. The train will leave over the New York Central and arrive at Quebec at 1:10 p. m. June 14. The delegation will be headed by Superintendent L. H. Pink, who will be accompanied by Mrs. Pink. The New Jersey department will be headed by Commissioner L. A. Reilly and Deputy C. A. Gough. Commissioner Hunt of Pennsylvania and his staff will be on the train, as will Commissioner Boney of North Carolina. There will be

a large delegation of organization and company executives.

ST. PAUL, MINN.—George W. Wells, secretary of the Northwestern National Life, and former Minnesota commissioner, will attend the commissioners meeting. Commissioner Frank Yetka had planned to attend but may not be able to make the trip.

Successful Juvenile Drive

William A. Bruchholz, Oklahoma branch New York Life, has demonstrated there is great opportunity for business in writing insurance on the lives of children and infants by turning in 61 applications in 22 working days. Of these apps, 36 were on the lives of small children under 15 years of age and 11 on infants. He turned in 40 apps during March, 58 in April and decided to go after 46 apps in May to celebrate his 46th birthday. His total volume on

the 61 applications was \$74,500. In 23 cases he wrote one application in a family, 12 two applications, two cases three, and two cases four. In 28 instances Mr. Bruchholz had formerly sold insurance in the family.

Gauss Appoints Receivers

LANSING, MICH.—Commissioner Gauss of the Michigan department has appointed two deputy receivers for the American Life of Detroit, Horace B. Corell, his first deputy in the department, and Thomas M. Heuss, Detroit, a director of the company and connected with its organization for 27 years. Byron L. Ballard, Lansing attorney and law partner of Edmund C. Shields, democratic national committeeman was named as counsel for the receivership. The commissioner, as temporary receiver for the company, was authorized in the court's order to designate special deputies to handle details of administration.



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New Jersey

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DIRECTORY

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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**PROPERTY
MANAGEMENT
[DIRECTORY]**

The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Industrial Lapse Penalty Limit Brings Perplexities

NEW YORK—With the July 1 deadline only three weeks away, industrial-writing companies operating in New York state are working intensively at revising their agents' contracts to conform with the new law prohibiting any penalty in agreements written after that date on account of lapses on business more than three years old. No company has yet announced any features in this new contract and it will probably be close to the end of this month before any announcement is made.

While the law applies only to contracts entered into July 1 and subsequently, the plan is to offer the new contract to present agents with the option of continuing on the old basis and to use the new agreement not only in New York state and in Massachusetts, where a somewhat similar law was passed, but wherever the companies operate.

Conservation is Vital

The heart of the problem is that industrial business must be conserved as well as put on the books and that if lapse penalties can be imposed only during the first three years, new business must be assumed to have less persistence and consequently to justify less commission than under the present system.

If the agent is to have no incentive for keeping business on the books that is three years old or more there is likely to be a serious increase in the lapse rate of this class of business, which by reason of its duration should be the most stable. While it might be possible to pay the agent for keeping business in force, that is, a sort of renewal commission, it is doubtful whether this arrangement would be legal under the wording of the New York law for such a system would be in effect a penalty for not keeping the business in force.

Cash Values a Factor

An important angle of the conservation problem is the fact that new industrial policies have fifth year cash values and existing policies are being progressively liberalized until in a couple of years they too will be on a five year basis. What will be the result of early cash values combined with lack of any financial incentive on the part of the agent to conserve business is difficult to predict but the prospect is not a pleasing one.

One solution would be to employ conservation specialists, not under contract to write new business or make usual debit collections, whose sole duty would be to conserve business three years or more on the books. This would be quite an expensive system and the companies would probably come to it only as a last resort in case there should be an extremely large jump in the lapse rate after three years.

Under Definite Limitations

The companies are working under several very definite limitations in framing the new contracts. Only a certain percentage of the premium dollar can go for acquisition and conservation costs without necessitating an increase in premium rates or a lowering of dividends, which amounts to the same thing. From the temper of the legislature which put through the law limiting lapse penalties, barring industrial endowments and appropriating money for an investigation aimed largely at industrial insurance, it can readily be seen that no increase in industrial net costs or in acquisition and conservation expense would be diplomatic no matter how abundantly justified.

Hence, it all comes back to the fact that if a company is to be powerless to

control conservation of business more than three years old, it must scale down its compensation to agents or it will be committing the error of paying for poorly persisting business an acquisition cost rate which would be justified only on the assumption that every reasonable effort would be made to keep it in force no matter how long on the books.

Law Gives Some Protection

There is some protection in the present New York law against deliberate attempts by agents to let a policy lapse and rewrite it. This statute prohibits the payment of commissions where a new policy is written within three months before or after the lapsing of a policy on the same individual or a member of his or her family.

The way that the lapse penalty system works out is that the good agent is rewarded for persistent business and effective conservation and the inferior agent is penalized for poor quality and for poor conservation work. Obviously, the total amount of compensation for new business and for conservation must come from premium income and if the acquisition cost is not to exceed the desired percentage of premiums any law which eases the penalties against the poor producer and forces the companies to pay him more than he deserves must be offset by a corresponding reduction in what the abler agent receives.

Major Revision in 1933

The changes which go into effect July 1 will be the second major revision of industrial agents' contracts in recent years. In 1933 most industrial companies changed over to a basis which eliminated the accumulated penalties in the so-called special salaries which many agents had accumulated during the worst of the depression.

The system in use up to that time embodied a collection salary for collecting the weekly debit and a special salary based on the average net increase in industrial writings which the agent had achieved during the preceding quar-

ter. For example, suppose that during the preceding quarter the agent had increased his debit by \$10 over the previous quarter. This amount of money was multiplied by a certain number of "times," for example 16. The \$160 figure so obtained would be divided by 13 and the resulting \$12.30 would be paid to the agent each week as special salary.

Same Formula for Decrease

However, if the agent had a decrease instead of an increase the same formula applied and he had to write enough industrial increase to offset these debits before he could get any more special salary. The special salary charge was not considered as a charge against the agent's collection salary or commissions but during the first couple of years of the depression many agents went so far into the red on their special salary accounts that it would have taken a stupendous amount of increase to get them back to the point where they could hope to earn any special salary at all.

The new contracts which were announced toward the end of 1933 based the special salary on net increase but only deducted penalties for first year lapses. However, the amount of collection salary and the percentage applied to first year increase to determine special salary are based on the renewal lapse rate so that there is still a definite incentive to keep the business on the books.

The term net increase as used by industrial companies means premiums issued plus revivals, less chargeable cancellations, the latter meaning all policies discontinued other than through death, maturity or the end of the premium-paying period as in a limited payment policy.

Seek to Tax Annuity 'Premiums'

The Arkansas attorney-general is preparing to institute action against life companies to collect 2½ percent premium tax on the considerations that are received by them for annuity contracts. A. D. Dulaney, former Arkansas insurance commissioner, and Lee Zazort, former lieutenant-governor, have been employed as special counsel to prosecute the suits. Some 34 companies will be named as defendants and the total amount sought to be collected is about \$100,000.

New England Mutual Lineup



W. E. HAYS



C. F. COLLINS

The New England Mutual's new agency department lineup following the retirement of Agency Superintendent Glover S. Hastings interested all in the business. W. E. Hays of the Los Angeles general agency of Hays, Hudson & Bradstreet becomes the first director of agencies and C. F. Collins, assistant

superintendent of agencies, is made agency secretary. The appointment of Mr. Hays is another evidence of prominent home offices calling to important agency work at headquarters men of experience, who have been tried and trained in production and supervisory work.

Criticises Mammoth Program at a Tremendous Expense

A life insurance executive who has been very much interested in public relations work in its application to the insurance business has contributed some views on the subject. He says:

"While the advent of a new infant in the insurance world in the form of a public education campaign may shortly be anticipated, due to the imperative necessity for its birth, the current hasty observations as to the size of the coming offspring and the expense of its rearing are causing much apprehension, both to the friends and foes of the infant. There is such a thing as killing a good idea through over-zealous agitators. It would be unfortunate if that happened in this instance. For example, the very mention of a publicity fund of from \$5,000,000 to \$10,000,000 is enough to scare off a large number of executives who otherwise might turn a more willing ear to suggestions for public relations development.

Brings a Painful Echo

"The idea advanced of employing a 'smart' advertising agency brings only a painful echo to the company advertising men, who are fully aware that efforts to be smart invariably are a boomerang. In the first place, no one with actual experience in this field of activity would think of any program of public education in terms of much more than \$1,000,000 a year as a beginning. To explain why this is so would involve a rather long analysis of the psychology of public relations work, the necessity for an effective job of internal selling, the detail job of inaugurating a program of this kind, and the processes of logical development.

"It is true that many public relations counsellors and advertising agencies love to talk in big figures. Sometimes they are successful—and the results in the form of retainer fees and commissions fully justify their figures, so far as they are concerned. On the other hand, many needed programs would be operating today if it were not for this natural tendency to link big ideas and big industries with big money.

"In the second place, the suggestion of a 'smart' advertising agency, while perhaps picturing a real need for an in-

dustry undertaking this kind of work, gives the implication that the need is for 'smartness,' rather than for the efficient and capable direction of sound, constructive thinking and economical production.

"Nor does it seem necessary or advisable that the life insurance business, as some well-meaning minds suggest, head up its public education activities with a 'big shot' from the outside. The employment of such an individual reflects too much the unstudied opinion that one of our first problems is that of 'window-dressing.' Frankly, such an approach to the problem promises little in the way of success or permanency and much in the way of wasting large sums of money.

"The railroad industry went through somewhat the same process of thinking. At one time, when the railroad executives first began talking about the necessity for a public relations program, considerable thought was given to the employment of some well-advertised public relations counsellor. The idea was carefully studied and investigated, and it was finally abandoned.

"In place of this, the railroad business did exactly what the life companies can well do today. It placed the direction of its program upon two men, both of whom were drafted for the work on a 'leave-of-absence' basis from the roads by which they were employed. Subsequently, as the staff was built up, the same policy was applied to all major positions. Today, after two years of successful operation on \$1,000,000 a year budget, all except two of the official staff are working on a 'leave-of-absence' basis.

What Has Been Done

"This organization in a period of 22 months has turned out 1,300 plates of advertising adaptations for use in timetables and magazines, over 2,000,000 copies of 22 posters, more than 9,000,000 booklets, pamphlets and reprints, over 22,000,000 paycheck enclosures, mail inserts, blotters, etc.; it has prepared over 400 press releases, has cooperated in the writing of 140 articles and memorandums, has issued nearly 100 weekly news letters, has created two slide films, has prepared

and distributed hundreds of copies of a speakers' manual, and has sent out 2,500 photographs to writers and editors. And all this has been in addition to the large volume of work entailed by answering thousands of inquiries each month, and participating in many cooperative activities requiring a great deal of time.

Should Adopt Similar Program

"It would seem that life insurance might well consider adopting a program similar to that of the railroads, and execute it in a similar manner. Rather than turning to the outside world for help, why not make use of the advertising knowledge in our own organizations? The Annual Message of Life Insurance was admirably promoted by advertising men in our own companies and the Research Bureau. The Southern Round Table has just gone on record with the thought that the members of the Life Advertisers Association should individually and collectively give assistance to the public education program that is now under consideration.

"What we need today is to secure the services of one or two good public relations men in our own ranks who will personally lay a foundation of study and research work; draft plans for a well-rounded program; simultaneously investigate carefully the qualifications of many agencies and employ one; and lastly, develop the organization necessary to carry out the detail of such a program. All of which is labor of the hardest kind—not the type of thing that could or would be done by 'smart' advertising agencies or 'big shots.'

Welch in Temporary Charge

NEW YORK—V. S. Welch, second vice-president of the Equitable Society, who holds forth in Chicago, will be at the head office in New York for six weeks in charge of the agency department, during the absence of Vice-president W. J. Graham who has gone on a trip to Europe. Mr. Graham has been leading a strenuous life since added agency responsibilities were placed on his shoulders.

Freeport, Ill., Men Honored

M. V. Peasley, vice-president and secretary of the Bankers Mutual Life of Freeport, Ill., has been elected president of the Freeport Rotary Club. S. H. Quackenbush, manager of the Westchester western department, was elected vice-president of the club.

Canadian Superintendents to Meet in Victoria Aug. 22

The Canadian Association of Insurance Superintendents will hold its annual conference in Victoria, B. C., Aug. 22-25. Superintendent McNair of Ontario will report on the work of the committee on automobile insurance legislation; standard forms, uniform definitions and interpretation of underwriting powers, and accident and sickness legislation.

Superintendent Lafrance of Quebec will report for the committees on valuation of securities and free insurance evils. The annual report of the blanks committee will be presented by Superintendent Heath of Manitoba. Superintendent MacLatchy of New Brunswick will report on licensing and regulation of insurance agents. Superintendent Garrett of British Columbia will report on life insurance and Superintendent Fisher of Saskatchewan on fire insurance.

Officers of the Organization

Mr. Fisher is president, Mr. Garrett is vice-president and Mr. McNair, secretary-treasurer.

The agenda in general arises out of the proceedings of the 1937 conference held at Toronto, the legislation and other regulations which were then considered and referred back to the committee. Mr. Garrett in his report on life insurance will consider especially group life insurance and the desirability of enacting special legislation relating to that branch.

Consideration will be given to the report of the sub-committee recommending a definition of group accident and sickness insurance.

Oldest Arkansas Policynholder

LITTLE ROCK, ARK.—Col. James M. Stewart of this city, 97, is believed to be the oldest holder of a life insurance policy in the state. Colonel Stewart bought his policy in 1889. It matured last year, but he left the proceeds with the company at interest.

Kelleher in New Post

Michael T. Kelleher, recently resigned as deputy insurance commissioner of Massachusetts, has joined Marsh & McLennan's Boston office.

COMMISSIONERS AT ANNUAL CONVENTION



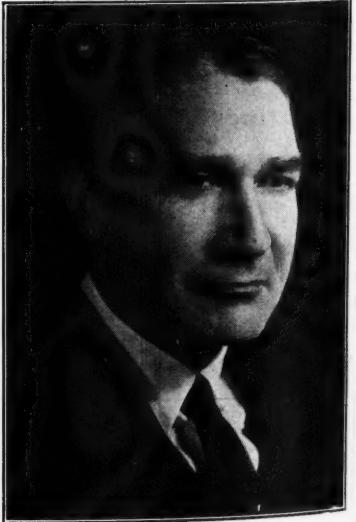
JESS G. READ, Oklahoma
Secretary



GEORGE A. BOWLES, Virginia
President



S. L. CARPENTER, California
Vice-president



LOUIS H. PINK, New York
Executive Committee Chairman

All insurance eyes in this country will be pointed toward Quebec, Canada, next week when the National Association of Insurance Commissioners holds its an-

nual meeting there. It is always an important meeting and this year there are vital issues to come up. George A. Bowles of Virginia is president. S. L. Carpenter, Jr., of California is vice-president and will give a paper at the meeting. Jess G. Read of Oklahoma is secretary and Superintendent L. H. Pink

of New York chairman of the executive committee. All of them rank high among the supervising officials of the nation.

Jumping "Behans" in Jar Sent to Joe

SPRINGFIELD, MASS.—The agency department staff of the Massachusetts Mutual Life nearly collapsed when popular Vice-President "Joe" Behan received from the Syracuse agency



J. C. BEHAN

a humorous testimonial in his honor. This was in the form of a jar containing 167 jumping "Behans," each with the name of a Syracuse representative attached, each representing a unit of new business production for May. The text appearing on the jar label was:

"167 Mexican Jumping Behans From Mexico, N. Y.—near Syracuse. (Gathered under the authority of our own new 'wages and hours bill.') All through May we have been 'on the jump for Behan' and no one in or near Syracuse got the jump on us in gathering these jumping Behans for our chief."

"At the early season, the Behans are quite green, not the usual rich brown as at maturity. But give us time, and we'll do it up brown for you, Mr. Behan, and we're not stringing you! P. S. How have you Behan?"

Under the leadership of newly appointed General Agent Charles H. Schaff, the Syracuse agency showed a gain of 57 percent over May of last year, and at the end of five months this year is ahead of the first eight months' production of 1937.

Supreme Court Reserves Decision as to Ekern

MADISON, WIS.—The Wisconsin supreme court has reserved its decision as to whether it will take original jurisdiction in quo warranto proceedings against Governor LaFollette in a complaint by John Martin of Thiensville, Wis., seeking ouster of H. L. Ekern, former insurance commissioner, as lieutenant governor of Wisconsin. Mr. Ekern, who maintains insurance law offices in Chicago and Madison, Wis., recently was appointed lieutenant governor to fill a vacancy.

Mr. Martin seeks in his action to make the governor show by what right he made the appointment. Counsel for Mr. Ekern states that inasmuch as he is not drawing pay for his position and could not draw any until the legislature next met in 1939 and an election must intervene, before the question of salary could arise, Martin could have no special or personal interest as a taxpayer.

Trueblood Agency Well Ahead

Paid business of the Los Angeles agency of the Union Central Life for the first five months of 1938 was 12.7 percent better than for the parallel period a year ago, Mark S. Trueblood,

manager, reports. Paid business in May amounted to \$314,272 in 24 cases, the average business per agent being \$18,500.

Nebraska Annual Meet June 15

OMAHA—The annual meeting of the Nebraska Life Agency Managers Association will be held the evening of June 15. John M. Laflin, Penn Mutual, Omaha, is secretary of the association.

Atlantic City Seminar

At the Life Insurance Sales Research Bureau seminar in Atlantic City Lawrence McDonough, general agent Mutual Trust Life at Cleveland, was elected president, John A. McNulty, manager Prudential New York City, treasurer, and E. W. Brailey, general agent New England Mutual at Cleveland, secretary.

Approves Union Group Cover

INDIANAPOLIS—Life insurance companies can write group policies under Indiana statutes giving coverage to members of specific labor unions, according to a ruling of Attorney-general Jackson. Commissioner Newbauer had requested the information in connection with the Reserve Loan Life's submission of a form for use with the United Automobile Workers of America, CIO affiliate.

An earlier opinion said that such group insurance could not be written. The new opinion said that the insurance company has the right to pay back to the union 5 percent of the premium if such a provision is set out in the policy. The union can make payment on the policy alone or the union and individual members can make these payments, but the member or worker alone can not make all the payments for the protection, the opinion stated.

Unusual Pacific Mutual Rewards

Pacific Mutual Life is offering an unusual reward to production leaders during the final six months of the year. A certain number of the top producers during that stretch in the four divisions of the country will be entitled to make a trip to San Francisco next year during the San Francisco world fair and to the head office in Los Angeles. The qualifiers can make the trip at any time during their convenience and special courtesies will be extended to them at the head office. The five top men in the country will be entitled to take their wives. Those who produce \$500,000 or more during the six months will automatically qualify, whether they are in the top ranking or not. In addition 32 valuable merchandise prizes will be given to those who rank just below the winners of the California trip.

Hendricks Personnel Director

L. P. Hendricks has been named by the James H. Cowles agency of Provident Mutual in Los Angeles as personnel director in charge of training new agents. He has been with the agency since 1934. In every year he has qualified for the Leaders club.

"Bunn & Dredstreet" Contest

A contest which drew much interest from agents during May was the "Bunn & Dredstreet" credit rating report conducted by the LaSalle ordinary agency Prudential in Chicago of which A. Van Goldman is manager. Each contestant, at the beginning of the contest, was placed in the unknown, or unrated group with stage money distributed on the basis of results secured. Five thousand dollars credit was given in stage money for each application, an equal amount for number of thousands applied for, and \$1,000 for each thousand of paid business. Agents were able to achieve better class rating only through their earnings in stage money. Thomas Richardson topped the competition with \$131,000 of this money. J. F. Gallagher was second, \$89,600. Other agents with good ratings were: Miss Marie Har-

tung, \$85,800; David Cox, \$85,000, and M. J. Oates \$76,000. An auction terminated the contest with agents bidding on various articles such as clocks, bookends and silverware, with stage money earned. Mr. Goldman acted as auctioneer.

Hecht Has Fish Fry

William H. Hecht, manager the Ohio State Life, Celina, O., will entertain his agency and company officers at his annual fish fry at his home on Grand Lake, June 10.

Qualifies for Five Years

For the fifth successive year, M. H. Abernathy, member of the W. T. Nolley agency of the Northwestern Mutual Life at Richmond, Va., has qualified for the Marathon Club by paying for insurance on 100 lives. Mr. Abernathy lives in a little town in Brunswick county and has covered the major portion of the residents as well as those in contiguous territory. H. D. Goldman of Richmond, another premier producer for the Nolley agency, has just qualified for the Half Million Club. Both plan to attend the annual convention in Milwaukee. The annual All-Southern Feud, a spirited contest among agencies in Virginia, North Carolina, Georgia and Tennessee, got under way June 1. The contest will continue for three months. Three leaders in each general agency will be guests of the general agents at Roaring Gap, N. C., for three days.

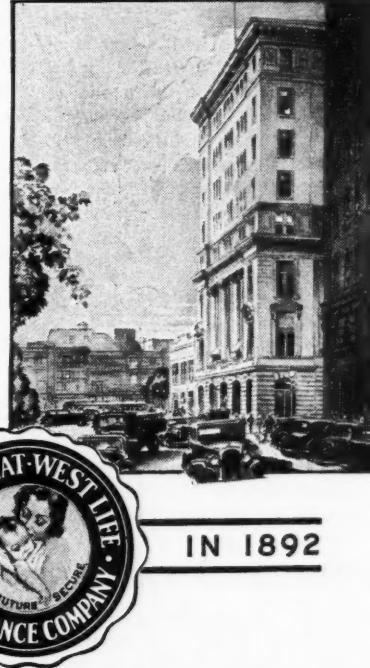
PERSONALS

A. E. Patterson, agency vice-president Penn Mutual, gave the commencement address at Coe College, Cedar Rapids, Ia., his subject being "Our Common Inheritance." He was presented by Dr. G. W. Bryant. Mr. Patterson was given the honorary degree of bachelor of laws.

Robert C. Evans, 44, Shenandoah Life general agent in Chattanooga, Tenn., for several years, died in a Nashville hospital.

Mrs. Theodora C. Campbell, wife of J. M. Campbell, chairman of the board of the Colorado Life, died at her home in Denver following a brief illness.

Ray E. Sasser, 47, district manager Sun Life of Canada at Columbus, Ga., for 15 years, was killed in an automobile accident near McDonough, Ga.



INCREASING BUSINESS IN FORCE

In spite of recessions and business uncertainty, increases of business-in-force for 1938 to date are shown by Great-West Life Agencies in every state in which the Company operates. Eight of the first ten in order of volume are in cities of Illinois, Michigan and Minnesota. The Great-West Life is internationally known as a sound, strong company and its representatives carry a portfolio of policies designed to fill every known life insurance need—a policy for every person and purpose.

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE • WINNIPEG, CANADA

Assets—\$156,805,466. Insurance in Force—\$589,511,167

Offices throughout Canada and in the States of

NORTH DAKOTA, MINNESOTA, ILLINOIS, MICHIGAN, WASHINGTON

EDITORIAL COMMENT

Regulation of Lawyers' Activities

TAXATION of lawyers' fees and annual licensing of lawyers would appear to be the natural result of the efforts now being made by bar associations to exclude lay persons from all activities pertaining to the law. Insurance companies pay a premium tax and an annual license tax on agents and this form of regulation results in the insurance business being transacted by responsible companies and agents.

The bar associations are endeavoring to get the benefit of excluding "poachers," without the corresponding protection to the public which is the real object of regulation. The low condition of the bar is conspicuous in practically all cities. The bar associations never move except under public clamor, and then only feebly. The profession is honeycombed with malodorous practitioners, and under old procedure there is no effective way of routing them out.

The annual license system seems ideal for the task of cleaning the legal stables. The trouble now is that a lawyer is admitted to the bar and thereafter, for life, he is free to prey upon the public unless his operations become so flagrant that the bar association is forced to take action. After a criminal career of many years, with final exposure in some outrageous case, the gentle court, dealing with a professional brother, may sus-

pend the right to practice for a few months or a year. Even if a lawyer is nominally disbarred for life, when the excitement dies down the court relents and again admits him to practice. With an annual license requirement it would be far easier to check evil practices.

The rules for the practice of the law for centuries have been conceived as being in the public interest. They were to protect the public, and not to draw fees into professional hands, nor to exploit fees from the public for useless services. If the lawyers demand a monopoly the public should have the benefit of the regulatory system in order to clean up the rotten spots.

Furthermore, a tax on legal fees, similar to the tax on insurance premiums, would afford a tremendously effective check on the worst activities of the disreputable lawyers. If the lawyers were required to report their fees and make them a matter of public record, with a right on the part of the supervisory department to examine their books, much of the "dirty work" now performed by lawyers would be driven out of the dark channels where it is now concealed.

The tax and licensing system for lawyers, modeled on that for insurance, would in a reasonable time raise the legal profession to the high plane to which insurance has been brought.

Credit Executive's View of Insurance

H. H. HEIMANN, executive manager of the NATIONAL ASSOCIATION OF CREDIT MEN, has a remarkable record in life insurance buying. At age 20 he decided that a life insurance program was very essential. He had a vision and he has stuck to it. He has taken out at least one policy every year for the last 25 years. He now

had 40 policies. "I wish," Mr. HEIMANN said, "that I had taken out two or three life insurance policies a year. If I had I would be able to do other things now instead of going around making speeches." This is a remarkable tribute to life insurance, coming from a very discerning executive.

Getting the View of the Outsider

IT PAYS all of us regardless of the particular activity in which we are engaged to obtain once in awhile a candid viewpoint of one who is not directly concerned in our special activity and in fact is in another line of business but who is interested in what we are doing. For instance, the other day J. A. BOWER, executive vice-president of the CHEMICAL BANK & TRUST CO. of New York City, spoke before the NEW YORK LIFE MANAGERS ASSOCIATION and perhaps surprised his hearers with his views. He was looking at life insurance and especially the policyholder's side from the standpoint of a premium payer.

He called attention to the fact that a

great majority of the policyholders have little accurate knowledge of life insurance and this leads frequently to doubt and prejudice. The public, he held, thinks that life insurance purposely keeps itself in an esoteric atmosphere and surrounds itself with mystery and technical terminology. Every policyholder, Mr. BOWER said, should be a salesman for life insurance. He should be enthusiastic about it and should be informed as to the fundamentals.

He stated that in his opinion home office officials are too far removed from the people who are paying the premium. There should be a closer personal contact. Much would be gained, he said, if policyholders

were invited to visit the head office and there shown the mechanics of the business. There is need of those paying the premium to come into more intimate relationship with the company. Life insurance, he pointed out, today is suffering more or less

from prejudice, an improper political viewpoint and biased critics. There should be a determined effort to create an entirely different impression and this he contended should be done in a very friendly, frank and intelligent way.

Buying Power of Insurance Demonstrated

SOMETIMES it is an excellent lesson for insurance to demonstrate its buying power in a community. People in a city do not appreciate the number of people that are engaged in the insurance business or who are dependent upon it for their daily support. Recently the ILLINOIS BANKERS LIFE of Monmouth, Ill., gave a visual demonstration of just how far the wages of insurance people go. In paying its staff amounting to 250 on a semi-monthly basis it gave them bags of silver dollars. There was over a third of a ton of these dollars sent to the ILLINOIS BANK-

ERS so it could meet the requirements. The upshot was that the community was flooded with these "cart wheels." Merchants and others receiving them were astounded at the number that suddenly appeared in the Monmouth neighborhood. In that section silver dollars are comparatively rare. Therefore the advent of so many at one time certainly left its impression on the people. The employees were asked not to deposit these silver dollars in their banks but to pay cash for what they bought out of this special payroll, to show what it meant to their city.

PERSONAL SIDE OF BUSINESS

Funeral services were held in Jefferson City, Mo., for Judge Albert D. NORTONI, 71, member of the Missouri public service commission. Judge Norton had been in ill health for several weeks but his condition was not regarded as serious. He died of a heart attack.

For several years Judge Norton was general counsel and a director of the old Continental Life. He helped to defend the company against the receivership suit brought against it by former Superintendent O'Malley.

Edward A. Marthens, former Milwaukee general agent of Great Northern Life and later general agent at San Diego, Cal., died in Los Angeles, where he resided for the past 13 years. Mr. Marthens was prominent in life insurance circles and organization work in Milwaukee for about 10 years. He was president of the life underwriters association there and first president of the Milwaukee Kiwanis. He was also governor of the Kiwanis Wisconsin-Upper Michigan district in 1921. After representing the Great Northern in San Diego for a time, he became interested in a number of hospital insurance associations. Later he went with the Prudential and then became a general broker writing all lines. He had been in poor health for some time.

David G. Brandon, general agent of the New England Mutual in Nashville, died June 2 after a prolonged illness. He was born in Henning, Tenn., July 18, 1879. He had lived in Nashville 35 years. Mr. Brandon entered the life insurance business nearly 30 years ago, and was appointed general agent of the New England Mutual in 1929. He was one of the best known insurance men in middle Tennessee.

Glover S. Hastings, recently retired as superintendent of agencies of the New England Mutual Life, was honored at a testimonial dinner by some 100 friends from the Boston agencies of the company, and other guests. The Boston agencies' attendance was the result of

winning in a triangular Hastings contest for May among five New York, four Chicago and three Boston general agencies inaugurated by Robert W. Moore, Jr., of the Moore & Summers home office general agency in Boston. Every Boston agent had produced one or more applications during the month. Among those present, besides the Boston general agents, were President George Willard Smith, B. J. O'Keefe of the Allen & Schmidt agency, New York City, and Albert W. Moore of Philadelphia, president of the company's General Agents Association.

Mr. Hastings was presented a framed scroll bearing the signatures of those gathered to honor his half century association in the business and his 40th year with the company. Mr. Moore of Philadelphia presented Mr. Hastings a testimonial book from his general agencies throughout the country.

Bert C. Nelson, one of the star representatives of the Northwestern Mutual Life in its home city at Milwaukee, is in great demand by life underwriters associations. June 3 he was in Decatur, Ill., speaking on "Sign Here—Doing What It Takes to Sell Life Insurance." He will speak before the Wheeling Life Underwriters Association June 23 and Charleston, W. Va., June 24.

O. A. Ehrenclou of Seattle, actuary and secretary of the Northern Life, is on a trip through the central west and attended the meeting of the American Institute of Actuaries in Chicago. Mr. Ehrenclou started his actuarial career in the home office of the Occidental Life of Los Angeles, getting his training under Actuary F. M. Hope. Later he was connected with the actuarial department of the Metropolitan Life and then went to the home office of the Missouri State Life. He has been with the Northern Life for 14 years.

Tom Hutton is celebrating his 30th anniversary with the Equitable Life of Iowa. He started with the company as an agent, then became general agent at

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Sioux City, Ia., and finally went to Los Angeles as special representative, where he is now associated with the Russell L. Hoghe agency.

D. H. Knoop, general agent of the Occidental Life of California at Los Angeles, died after a long illness, following an operation. He was a native of Ohio. He entered the life insurance business at Troy, O., as an agent for the Prudential, remaining with the company for a number of years, and finally being transferred to Los Angeles in 1908. He wrote the first Prudential industrial policy west of the Rocky Mountains. He joined Occidental in 1912 as city manager and has been associated with the company since that time, save for a period in 1918, when, on a leave of absence he served in Y. M. C. A. work overseas. From 1925 to 1930 he was general agent at Pasadena.

The May 15 issue of the "Red Barrel," widely read house publication of the Coca-Cola Co., contains an interesting feature article by **Walter LeMar Talbot**, president of the Fidelity Mutual Life, entitled, "From Cave Man to Today," which pays high tribute to the sales qualifications and techniques of the life insurance agent.

H. M. Solenberger of Springfield, Ill., general agent Mutual Benefit Life, observed his 30th year as general agent at an agency meeting in his city. There was a banquet in the evening. Mrs. Solenberger entertained the agents at a luncheon. Mr. Solenberger started with the Mutual Benefit at Chicago in 1903 and was transferred to Springfield in October of that year.

Lewis G. Ferguson, Indianapolis general agent Phoenix Mutual Life, has been elected president of the Lions Club there.

William E. Schilling, consulting actuary of Kansas City, and Mrs. Schilling celebrated their golden wedding anniversary there. Mr. Schilling is the father of Dale R. Schilling, associate editor of *THE NATIONAL UNDERWRITER*. A family reunion was attended by R. A. Ridgway, president National Protective, Kansas City, Mrs. Schilling's brother. W. E. Schilling started in life insurance work with the Aetna Life at La Porte, Ind., 45 years ago, later representing the Equitable Society there, then being executive special agent of the Prudential, operating out of the home office. For a number of years he was Indiana manager of the Travelers, leaving for Kansas City in 1908 to organize the Inter-Ocean Life & Endowment of which he was president for several years. More recently he was Iowa general agent Union Central and Kansas City manager Federal Life.

J. H. Johnson, Clarksdale, Miss., local agent and former Mississippi commissioner, is in a critical condition at his home in Clarksdale.

Mr. Johnson sustained a heart attack several months ago and underwent treatment at a Memphis hospital before being taken to Clarksdale. He has been in the insurance business at Clarksdale for 45 years.

E. L. Jenks, general agent of the Pacific Mutual Life in Atlanta, reports a 70 percent increase in written business and a 20 percent increase in paid for during the first five months. He is celebrating his fifth anniversary as general agent.

L. H. Turner, Augusta, Ga., district manager, has completed 25 years service with the Pacific Mutual Life, having joined the company June 1, 1913. During that time he placed more than \$5,000,000 in Augusta territory. In addition he has written a substantial volume of accident and health business. He has paid policyholders in his district \$1,500,000. During the last 20 years he qualified for the Big Tree Club which is the top honor club. At a special meeting honoring him in Atlanta, General Agent E. L. Jenks presented him with a dia-

mond service pin from the company. A number of home office officials wired congratulations. Oliver Nix on behalf of the Georgia agents presented him with a belt and gold engraved buckle.

George D. Wood, assistant secretary of the Provident Mutual, has been elected president of the National Office Management Association. He has been active in the association for some years, having served as a director for two terms and as vice-president for two terms. In addition, Mr. Wood served as president of the Philadelphia chapter of the association.

Mr. Wood attended Cornell, where he played on the soccer team and was associate editor of the Cornell "Widow." After interrupting his courses to serve overseas as sergeant in the army ambulance service, he returned and was graduated in 1920. He also took special courses in the Université de Montpellier in France and in the Wharton School of the University of Pennsylvania, besides taking the course of the American Institute of Banking from which he was graduated in 1923.

D. E. Ball, president Columbus Mutual Life, and Mrs. Ball have made reservations to sail June 23 on the Vulcana for a European visit. They expect to be gone about nine weeks. They will visit a number of Mediterranean points first. Mr. Ball will probably not be back in time to attend the agency convention of Columbus Mutual Life at Mackinac Island in August.

Fred W. Hoch of Marion, O., is observing his 25th anniversary with the Ohio State Life and his 20th anniversary as a member of the Ohio State Life Honor Club. Mr. Hoch is the only original member of the honor club who has qualified each year since 1918. In honor of Mr. Hoch, the Marion agency intends to put on a month's campaign.

T. A. Sick, vice-president and treasurer of the Security Mutual Life of Nebraska, has been appointed general chairman of the Lincoln, Neb., community chest's 1938 campaign.

O. H. Morehead, 39, president of the O. H. Morehead & Co. agency in Detroit, representing the Dominion Life and Sun Life, died suddenly. Mr. Morehead, who had been in the business in Detroit for 19 years, was one of the few men in the state licensed as an estate analyst and counselor.

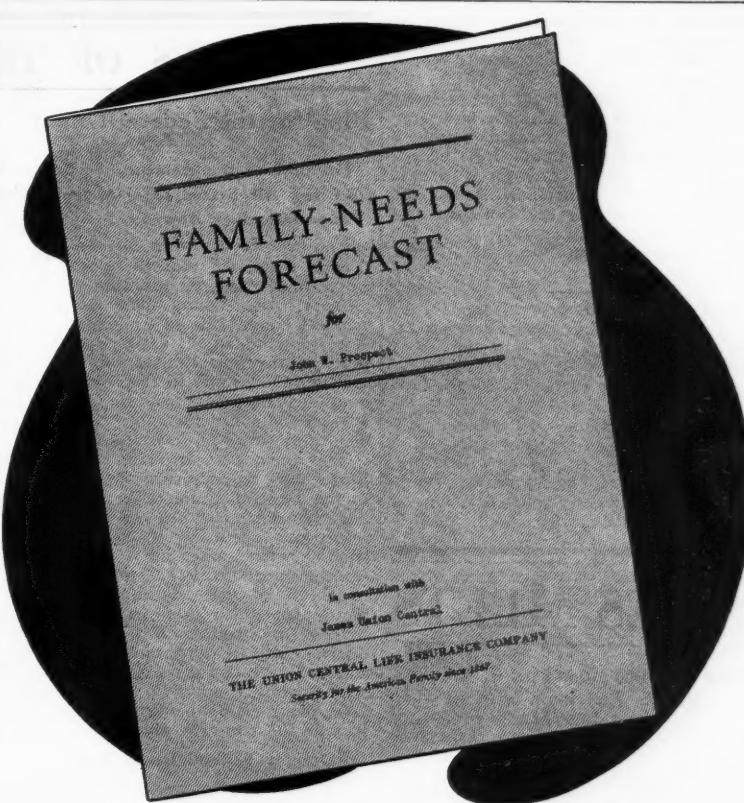
E. M. Somerville, 67, general agent of the Penn Mutual Life in Kansas City since 1904, died at Rochester, Minn., where he had undergone an operation.

With his brother, J. P. Somerville, he founded the Penn Mutual agency there Sept. 1, 1904. It was known as the J. P. & E. M. Somerville agency. He was a past president of the Life Underwriters Association of Kansas City.

Mr. Somerville's funeral was held Tuesday and was attended on behalf of the home office by Vice-president A. E. Patterson. Mrs. Somerville and her daughter, Mrs. C. D. Trask, were at the bedside at the time of his death.

Mr. Somerville was born at Holland Landing, Ont. His brother, J. P. Somerville, was known affectionately to members of the Cooperative Club of Kansas City as "Daddy Jim" because he was one of its organizers and the first president. J. P. Somerville was the founder of the Cooperative International and was its second president.

On its 10th anniversary under General Agent **Guy D. Randolph**, the Cincinnati agency of the New England Mutual Life opened enlarged and newly decorated quarters in the Chamber of Commerce building in that city with a reception attended by a large number of prominent insurance people. Mr. Randolph built a strong agency during the depression and more than doubled the business in force and number of policies in the comparatively short space of time he has been in command, tripling the annual



DEFINITE INTEREST ...LARGER SALES

two important results of this dynamic new selling plan

● Union Central's FAMILY-NEEDS FORECAST aims itself almost automatically at men who are really good prospects—men who are financially able to carry a full program of protection, rather than just another thousand or two.

The Forecast gets the immediate interest of these men by showing them what they probably have never seen before—all seven of the *vital needs* that are likely to confront fatherless families. And it diagnoses, with professional precision, the ability of the prospect's present insurance to cope with those needs.

Although experience with the Forecast is still limited by its newness, Union Central representatives agree that the policies sold with it are going to *stay on the books*—because the prospect has been made so thoroughly aware that his family simply can't do without them.

The UNION CENTRAL LIFE Insurance Company
CINCINNATI, OHIO

production of new business. When he assumed charge, the Cincinnati office had a staff of six regular agents and it now has 39.

The office has 600 square feet of space additional and is now a single unit, several offices formerly located across a corridor being now embodied in the enlarged office. Mr. Randolph is a past president of the Cincinnati Associated Life General Agents & Managers and was recently elected president of the New England Mutual General Agents' Association.

Karl L. Brackett, general agent John Hancock Mutual Life, San Francisco, is now a grandfather, his daughter, Mrs. Theodore W. Leavitt of Minneapolis, having become the mother of a baby boy.

Gifford Vermillion, Milwaukee manager Mutual Life of New York, with Mrs. Vermillion and their daughter, Ann, will leave in mid-June for Pottstown, Pa., where their son, Dick, will be graduated from the Hill school.

SALES MEETS

Stagg Agency Meet

Charles H. Langmuir, vice-president New York Life, and M. B. Flood, inspector of agencies, Pittsburgh, spoke at a meeting of the Columbus, O., agency under W. P. Stagg, agency director. More than 70 agents from 32 counties attended.

M. S. Kirkpatrick Is Feted

The Michigan agency force of Wisconsin National Life held a surprise luncheon in Lansing in honor of the birthday of M. S. Kirkpatrick of Grand Rapids, Michigan agency superintendent. Vice-president Arthur James flew from the head office at Oshkosh to attend the meeting and presented Mr. Kirkpatrick with a gift in behalf of the home office organization. The agents presented Mr. Kirkpatrick with an oriental rug. Curtie Smith, general agent at Lansing, presided and presented Mr. Kirkpatrick \$48,500 of new business in behalf of those present. About 58 agents and their wives were present. Sidney Hall and Don Trobaugh of Kokomo, Ind., were among those on hand.

Iowa Agents Meet

CLEAR LAKE, IA.—Iowa agents of the New England Mutual Life held their annual week summer meeting here. Conference sessions were held in the forenoons in charge of S. C. Woodward, Des Moines, general agent.

Protective Life Meet

The Protective Life is holding a sales meeting of Texas agents at Dallas. William J. Rushton, president, and Alex C. Wellman, vice-president, will represent the home office. G. C. McClelland, Dallas general agent, is host.

Colorado Springs Conventions

The Southwestern Life will hold its agency convention here June 15-17. The Yeomen Mutual Life will have a meeting here in August, and the Provident Mutual Life, Aug. 31-Sept. 2.

Prudential's Division Conference

The Prudential held its annual five-state division conference at Colorado Springs last week.

Receivership for Louisiana Outfit

Receivership proceedings have been instituted at Shreveport, La., against the Federal Mutual of that city. This is an assessment outfit and like other kindred institutions in Louisiana has been scouring the country for policyholders. It has about \$1,000,000 of insurance in force with 1,600 policyholders. Officials said that the business would be taken over by the Texas Mutual of Waco.

NEWS OF THE COMPANIES

Plan for the Federal Union

Features of the Reinsurance Contract of the All States Life Approved by Superintendent Bowen

It is presumed that there will be no hitch in the All States Life of Montgomery, Ala., taking over the defunct Federal Union Life of Cincinnati, which is in the hands of the Ohio insurance department as rehabilitator. The hearing will be held Friday in the court of common pleas at Columbus. Superintendent Bowen has asked for approval of the reinsurance plan.

The agreement provides that the All States Life will reinsure all the business of the Federal Union Life in full. The All States undertakes to appraise the assets and accept into its own ownership such as seem proper for it to hold. The same proportion of the business is to be reinsured in full. As other assets become proper for the ownership of All States Life, additional portions of the business will be fully reinsured. The remaining part of the business is also reinsured on a monthly renewal term basis, death claims being paid in full subject to the contract provisions.

Trustee for Federal Union Assets

The All States becomes trustee for the Federal Union assets not accepted by it in the beginning or at some later date and agrees to conduct this trust at a cost not exceeding 8 percent of the premium. The officers are to serve without salary. Separate payrolls and accounts are to be kept. At the end of four and one-half years the valuation committee will fix a minimum price at which the remaining assets can be disposed of if any of the remaining assets are not accepted during the succeeding six months. Then at the end of the full period of five years the trust is to be discharged by the sale of the rest of the assets at public auction. The monthly renewal term reinsurance will then cease and the All States Life will reinsure the remaining portion of the business if any subject to any lien that may be necessary to cover the difference between the entire amount of the assets realized out of the trust and the total net equity of the insurance at that time.

Other Provisions of the Contract

One provision is that the Ohio insurance department and the All States Life might consider it to the best interests of the policyholders that the trust be continued beyond the five year period. The agreement also has a provision for the rewriting of Federal Union policies in the All States and during the five year period of the trust the trust is to receive one-half the profits of the All States on the rewritten business, the profits being computed in accordance with the provisions for separate accounting which is a part of the reinsurance agreement.

Largest Mutual Benefit in Illinois Being Reorganized

Jefferson National Life of Chicago has been organized as an assessment company by E. M. Boock, president, and the other officers of Lafayette Mutual Benefit Association of Chicago. A meeting of Lafayette Mutual Benefit will be held June 16 to vote on the proposition of reinsuring the business in Jefferson National and dissolving Lafayette, which is the largest mutual benefit in Illinois, with \$8,574,740 benefits in force. Lafayette Mutual just recently levied an extra assessment of \$1 upon members.

Steps were taken about two years ago by Harry Chirelstein, who was then president of Lafayette Mutual, to organize Jefferson National as a stock company. Mr. Chirelstein died about a year ago and organization of Jefferson

National was not completed. Jefferson National, the stock company, has been dissolved and the new company by that name is an assessment concern.

Those who have been paying \$1 a month to Lafayette Mutual Benefit will continue to pay the same amount to Jefferson National and will receive a graded amount of insurance according to age, the proposed reinsurance agreement provides. At age 30 for instance \$1 a month will purchase \$536.19 insurance; age 35, \$455.37; age 40, \$384.17; age 45, \$319.09; age 50, \$252.53; age 55, \$196.81; age 60, \$152.21; age 70, \$84.90. Until about a year ago Lafayette Mutual Benefit accepted applicants up to age 70. At that time the age limit was reduced to 60.

New policies written by Jefferson National will be on the non-medical basis up to \$500 and on the medical basis for larger amounts, according to Mr. Boock.

Mr. Boock states that the business of Lafayette Mutual Benefit has been developed entirely by agents. There has been no solicitation by mail. The agency force, consisting of about 100, will be retained. Mr. Boock is president of Midland Underwriters which has been the general agency company of Lafayette Mutual and will act in the same capacity for Jefferson National. S. H. Merel is secretary and R. E. Chirelstein is vice-president.

The reinsurance contract provides for contingent liability. Additional contributions to the regular premium may be required to pay claims and expenses and to maintain the tabular reserve. All provisions contained in the original certificates of Lafayette with reference to contestable restrictions concerning chronic diseases, suicide, prohibited occupations and crimes shall continue in force. In a communication to members, Mr. Boock states that due to the operations of the new Illinois insurance code acquisition of new members has become more difficult and costly. It would not have been possible, he states, to have continued much longer on the \$1 a month assessment basis. As of Dec. 31, 1937, Lafayette Mutual Benefit reported total income of \$201,285, divided \$92,198 benefit and \$109,087 expense. Disbursements were \$200,969, divided \$94,514 benefit and \$106,454 expense. Assets were \$27,017. The membership numbered 14,991.

Gauss Names Conservators for the Agricultural Life

LANSING, MICH.—Lauren W. Schleih, a Detroit consulting actuary and partner in the Nelson & Schleih agency, has been selected by Commissioner Gauss as a deputy commissioner to serve as one of the three active conservators of the Agricultural Life of Detroit, under an arrangement approved by the Ingham county circuit court. Commissioner Gauss was designated conservator by Judge Carr under provisions of a consent decree after the company's former management decided not to continue a fight against the department which had asked a permanent custodianship for the carrier.

The other two active deputies to handle the conservatorship are company officials, S. D. Tilney, vice-president, and L. G. Christman, a director, both of whom had come to the company early this year. The court retains full jurisdiction and may terminate or modify the conservatorship at any time.

Mr. Schleih, who took the actuarial course at the University of Michigan, was subsequently assistant actuary for the old Grange Life of Lansing which was purchased by the Michigan Life, Detroit. After that he was with the old Detroit Life for a time prior to the receivership.

The conservatorship is operating under rules which set up a general moratorium on all but death payments in order to prevent a run which would force the company into liquidation and make rehabilitation an utter impossibility.

United Life & Accident Is Making Gain with New Plan

United Life & Accident of Concord, N. H., is increasing its production this year largely due to the fact that in December it devised a special arrangement for insuring building and loan borrowers. About 25 percent of its business this year is on this plan. The sales in Vermont and New Hampshire have been especially heavy. This is a single premium reducing term form. The building and loan association advances the premium and adds the amount to the note. The borrower is not required to take the insurance. He is solicited individually. United Life & Accident has added to its agency staff by reason of having this plan available and has made numerous select contacts.

Republic National Takes Over Two More Companies

H. O. Hutson, former president of American Annuity Assurance and National Thrift of Omaha, has been elected a vice-president of Republic National Life of Texas, which has taken over the assets and insurance in force of those companies. American Annuity and National Thrift had about \$5,500,000 insurance in force and \$1,750,000 assets. Republic National also took over recently the assets and business of Western Union Life of Lincoln, Neb. Giving effect to these transactions, assets of Republic National now amount to about \$3,400,000, surplus \$250,000 and insurance in force \$22,000,000.

President T. P. Beasley of Republic National Life last year predicted that insurance in force would be brought to a total of \$50,000,000 within two years. During the past year insurance in force has been doubled. President Beasley states that Republic National intends to purchase additional companies, and will expand into other states. It is now licensed in Texas, Oklahoma, Arkansas and Nebraska.

Both the Omaha companies have been liquidating their thrift contracts, having abandoned their writing, and Republic National will carry on the work, setting up separate accounts and limiting its charge to \$2 a unit per annum.

The National has 2,480 thrift certificates representing a volume of \$1,500,000. It has assets of \$518,424 and surplus \$11,413. Last year's premium income was \$139,971 and total income \$161,686.

American Annuity had converted most of its thrift business into life insurance, and now has on its books \$2,500,000 life insurance and \$1,500,000 thrift represented by 3,865 certificates. It has assets of \$1,390,107 and surplus \$63,263. Its premium income last year was \$344,101 and total income \$615,525.

Application was made some weeks ago for approval of a contract by which the two companies would be reinsured by Modern Life of Minnesota, but when a former president entered objections, the Omaha companies withdrew their requests.

Republic National will handle its Nebraska business through an Omaha office, and will retain Frank M. Johnson, counsel for the two thrift companies, to represent it in that capacity in Nebraska.

Menge Named Actuary of Conservative of Indiana

W. O. Menge has resigned from the actuarial department of Lincoln National Life to become actuary of Conservative Life of South Bend, Ind. He is well known in actuarial circles. He went with Lincoln National rather re-

Honolulu 1938 BULLDOGS CLUB

THE OHIO NATIONAL LIFE INSURANCE CO.



E. W. MILLHOLLAND

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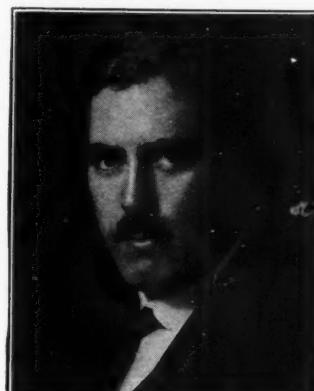
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H. R. LINDENBERGER



GEO. N. WADE



N. E. GLASSBROOK



ROY LIEBER



L. A. WOOD



R. H. MOORE



O. C. NORTON



GUY CHIESMAN



H. B. FREEMAN



E. B. SEIDEL



GEO. C. HILL



G. B. MASTERS

Honolulu 1938 BULLDOGS CLUB

THE OHIO NATIONAL LIFE INSURANCE CO.



C. D. McCARGAR



J. ROBERT COLE



SAM S. BLISS



P. G. DAVIS



LEE R. JACKSON



J. T. SIMPSON



J. WELDON CRAWFORD



V. E. TEMPLETON



O. E. SHACKLETT



FREEMAN J. DURGIN



FRED E. KRAMER



C. F. CUTSHALL



H. C. STOVALL



J. S. NEMER



N. J. TSCHANTZ



PAUL GARRETT

Honolulu

1938 BUMBERS CLUB

THE OHIO NATIONAL LIFE INSURANCE CO.



J. W. MILLHOLLAND



C. H. KAHN



GEO. W. WEITZEL



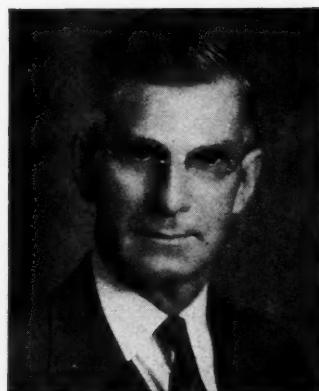
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J. L. E. FEUSNER



CARL BROWN



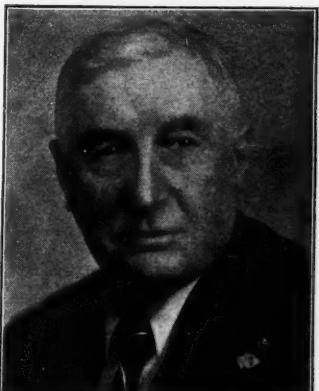
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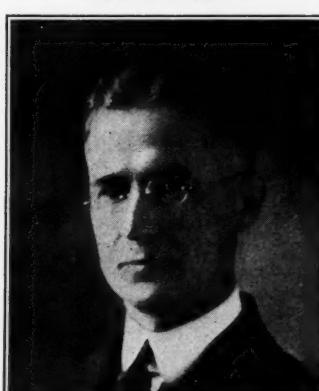
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E. C. DAVIS



O. B. CARMICHAEL



L. I. DAVIDSON



DANIEL GARBER



THOMAS BARNES



R. H. CORNELL



IMM JANSEN

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Honolulu 1938 BUMBERS CLUB

THE OHIO NATIONAL LIFE INSURANCE CO.



H. CARL SEAL



JOHN PEKAS



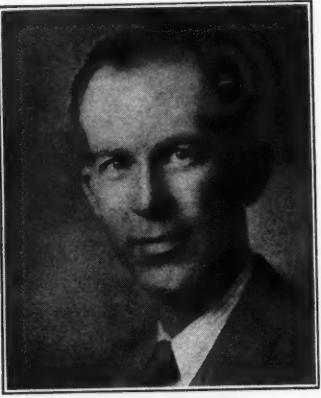
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H. S. VANDEMAN



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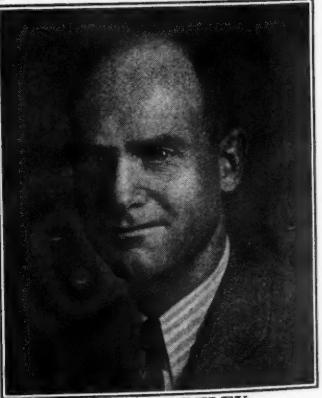
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E. A. BADGER



V. E. ROUSE



PAUL HARTLEY



R. L. STOVALL



A. O. HAWKINS



DAR NELSON



D. C. BOYER

cently, formerly having been assistant to Dr. J. W. Glover of the University of Michigan in the actuarial course there. He arranged the details for the dinner that was given in Chicago last week for Dr. Glover, who is now retiring, by those who have graduated from the department.

Postal Union to Take Over the Great Republic

LOS ANGELES—Commissioner Carpenter has filed a petition in the superior court and asks approval of the reinsurance agreement whereby the Postal Union Life takes over the Great Republic Life. The Postal Union assumes all liabilities and debts and issues 9,500 shares of stock for the benefit of Great Republic stockholders on a basis of \$15.03 a share. This cancels all contribution certificates.

Fidelity Mutual's Sixtieth

The Fidelity Mutual Life is marking its sixtieth anniversary year with a special year long honor roll campaign. It was founded Dec. 2, 1878. Honor roll qualification in this campaign involves \$160,000 or more of new paid insurance in 1938 or paying for new insurance on 60 lives or more during the year. In the interest of a low pressure campaign which will not interfere with periodic contests, the publicity features of the drive are limited to sticker seals, especially imprinted stationery and frequent mention in the company house magazines.

Set Day's Production Record

In celebrating the recent birthday of A. L. Dern, vice-president Lincoln National Life, 52 agencies turned in a record volume of \$1,746,147 on that day.

POLICIES

Mutual Life Issuing New Series of Term Policies

The Mutual Life of New York is now issuing 5, 10, 15 and 20 year term policies on the participating basis. These are on 3 percent American experience reserve and are convertible in three, seven, 12 and 17 years, respectively. Heretofore the only term policies the Mutual Life issued were five and 10 year renewable. The new term rates compared with the old are very favorable, at some ages showing nearly \$2 lower gross rate per thousand.

Resist Florida Commissioner

Guaranty Income Life of Baton Rouge, La., has obtained a circuit court mandamus in Tallahassee requiring Commissioner Knott of Florida to show why he prohibited the issuance of its endowment at age 70 policy.

That policy provides that surviving members of a class participate in an amount equal to the face of the policy held by a deceased member, Mr. Knott said. Such a contract is contrary to public policy, he contended.

Economy Series Rates Raised

Increased premiums became effective June 6 for the economy series policies issued by State National of St. Louis. This series is composed of \$500 policies on regular plans to be issued non-medically. In the past the premium has been one-half the regular \$1,000 premium but these new rates include expense charge to cover the larger relative cost of handling small amounts of insurance. Surrender values remain at one-half the regular \$1,000 values. At age 35, the new premium is \$13.12 for life paid up age 70; \$12.44 endowment at 85; \$15.71 endowment at 65; \$12.11 20 year endowment.

AS SEEN FROM CHICAGO

ELECTED JUNIOR OFFICIALS

Robert E. Davis of W. A. Alexander & Co. of Chicago, has been elected a vice-president of the Chicago Junior Association of Commerce. R. C. Swander, New York Life, has been chosen secretary.

SUPERVISORS IN OUTING

The annual outing of the Life Agency Supervisors of Chicago will be held at Elmhurst Country Club June 15. There will be a golf tournament as well as dinner at which a number of prizes will be awarded in the competition. The committee in charge consists of Harry Walker, Stumes & Loeb agency Penn Mutual; Paul Williams, and R. C. Carson, W. A. Alexander & Co., Penn Mutual.

SCHWEMM AGENCY LEADS

In the May "Agents Month" contest in the Great-West Life, based on written and paid business, the Earl M. Schwemm agency, Chicago, led in the United States and Canada with largest combined volume. It was the biggest month on a written basis in the agency's history. Mr. Schwemm will be host to his agents Friday at a golf outing at River Forest Country Club near Chicago, followed by a steak dinner.

ROCKWOOD AGENCY IN OUTING

The Rockwood Company, Chicago general agency, will hold its annual field day outing and golf tournament June 24 at Ruth Lake Country Club, Hinsdale, Ill. The event each year is celebrated by the Rockwood Producers Club of which Harold F. Peterson is president. Only producers who have qualified under contest regulations will attend. Prizes will be presented to winners of low net, low gross and blind bogey at a dinner.

THIRD OF A MILLION IN MONTH

During May agencies of the Lincoln National Life honored President Arthur F. Hall. This was one of the best months in the company's history. The Freeman J. Wood agency in Chicago during that month made a generous contribution to the total volume turning in nearly one-third of a million dollars in business. As the agency has 14 active producers, although three are considered as students having been with the agency less than three months, 11 had an average production of \$24,500. John Longstaff, Jr., had the largest, \$74,000. Mr. Wood staged a competition between members of his agency during the month. The agency was divided into two groups. Also agents in the four agency rooms competed against one another. The Wood agency ranked sixth in the company during April.

INVESTMENT MAN'S EXPERIENCE

A number of life salesmen find that there is much bewilderment among people who have money as to what they should do with it. Even the financial wizards are undecided. The other day an agent was soliciting a prospect but was getting nowhere. Finally some extra ammunition was used and this prospect who was a well informed financial brokerage man later sent for the agent and told him that he wanted to take a five payment life policy, adding, "I might as well invest this money with you and turn it over to you as well as some one else. At least it is safe, invested with a life company."

TO HOLD ANNIVERSARY OUTING

To celebrate his third anniversary next month as manager of the Fidelity Mutual in Chicago, James H. Brennan will act as host to members of his agency at an all-day outing and golf tournament at the Elmhurst Country Club. Keen interest in this outing is being stimulated through a contest which started June 1 and will run until

July 15, one day prior to the actual anniversary. Members of the agency will be required to qualify with good production records in order to attend and participate in prizes which will be awarded. A banquet will be held in the evening. Mr. Brennan stands 11 as a personal producer in the company and led his agency in qualifying fourth for the annual convention to be held at Grove Park Inn, Asheville, N. C. in September. The agency has shown a gain each month since its establishment and stood fourth in paid volume among all Fidelity Mutual agencies for the first quarter.

SELECTIVE RECRUITING PROGRAM

E. E. Henderson, Chicago manager of Pacific Mutual Life, is undertaking a systematic program of selective recruiting. He has sent to those in the graduating classes of certain colleges and to graduates of recent years a pamphlet "On Planning Your Future" together with a business reply envelope and a personal history blank. Those who reply and call at the office are given the

privilege of being examined by a psychologist and counselor, who has no connection with Pacific Mutual. Mr. Henderson desires to increase the staff by men of good background who give promise of success. The fact that a psychological examination is offered, according to Mr. Henderson, impresses upon the prospect the fact that the company is really interested in the welfare of the individual. A good many replies have been received and interviews arranged and two promising men have already been placed under contract.

OBJECTS TO "BULL PEN"

W. S. Fuller, manager of the ordinary office of the Prudential in the Field building, Chicago, dislikes the application of "bull pen" applied to a large part of the office assigned to agents that do not have private offices. He thinks this is sort of a reflection on the salesmen and puts them in the class of vagrants who have been arrested. Mr. Fuller designates the open space for agents as "the hall of fame." New offices of the Fuller agency on the 12th floor of the Field building have been arranged in very convenient style. The "hall of fame" is very attractive. Mr. Fuller has two assistant managers, E. H. Dooling and G. L. Schomburg.

Forty-Fourth Year of Dependable Service

THE STATE LIFE of Indiana is a purely mutual, old-line, legal reserve Company in its forty-fourth year of dependable service. . . . Has paid over \$116,000,000 to policyholders and beneficiaries, and in addition holds assets of over \$51,600,000 for their benefit. . . . Issues a wide range of policies from ages one day to sixty-five years, including Juvenile, Educational Fund, Family Income, Salary Continuance, Retirement Income, and other up-to-date forms. . . . Agency opportunities with complete training and service facilities for those qualified.

THE STATE LIFE INSURANCE COMPANY

Indianapolis
Indiana

AN OLD-LINE MUTUAL COMPANY FOUNDED 1894

NEWS OF LIFE ASSOCIATIONS

Program of Extension Shown

Pittsburgh Underwriters Association Holds Meetings in Points in the Western Part of Pennsylvania

The Pittsburgh Life Underwriters Association extends itself beyond its own domain and conducts meetings at Newcastle, Butler and Washington. P. A. Collins of New York, supervisor of field education and sales promotion for the Metropolitan Life, spoke at the Newcastle and Butler meetings.

"Not only in life insurance, but in any sphere of life," said Mr. Collins, "85 percent of all sales and purchases are based on an appeal to the emotions. The other 15 percent depend on the intrinsic value of the product. The same is true of life insurance."

Three Essentials Pointed Out

According to the speaker there are three essentials for a successful salesman: (1) The power to please, (2) the power to convince, (3) the power to persuade. Such factors as personality, appearance, poise, health and effective speech come under the first classification, the power to please. The second essential, that of conviction, is arrived at through logic or reasoning. Careful preparation and arrangement of the proposition, knowledge of when to begin and when to stop, a conception of the fundamental reasons for an organized sales talk come under this heading. The third point, persuasion, is accomplished chiefly by a play on the heart or the emotions.

Keeping in mind these three essentials, the successful life salesman must be organized in advance. He at least must know his plan of procedure and the progressive steps in his presentation, whether or not he has actually committed to memory the word for word speech. "A canned talk," said Mr. Collins, "is a good talk if it was good when it was put into the can. Moreover, it affords an excellent opportunity to get back on the main track after the prospect has put forth an objection or has interrupted the presentation."

F. C. Wigginton, first vice-president of the Pittsburgh Life Underwriters Association, will speak at Newcastle June 30. There were 75 attending the Butler meeting.

Meeting at Washington

"Productive Prospecting" was the subject of a talk given by A. F. Randolph, unit supervisor of the Pittsburgh office of the Penn Mutual Life, at the meeting at Washington. He advocated that every life agent keep a careful record of his past sales, so that he might determine the most profitable class of prospects to cultivate. He likened the wrong prospecting method to the spoke of a wheel wherein it is always necessary for the agent to return to his original center of influence for additional prospects. The proper method of getting prospects, according to the speaker, might be termed the "spiral" method, wherein the agent, in contacting one prospect, develops and qualifies, through him, additional prospects, so that the underwriter's circle of acquaintances is increasing in an ever-widening scope.

Cincinnati—New officers are: G. J. Woodward, Equitable Society, president; J. C. Sebastian, Union Central, vice-president; W. C. Wilson, Guardian Life, secretary; J. C. McFarland, Ohio State Life, treasurer. New trustees are: C. A. Cottingham, Penn Mutual, and A. F. Bauer, Mutual Benefit. Trustees holding over are: J. C. Benson, Union Central; John Manss, Columbia Life; H. L. Hogan, Equitable Life of Iowa, and Mr. Wilson.

Paul Johnson, Fidelity Mutual, treasurer, reported a balance of over \$1,700 in the treasury. Ray Hodges, Ohio National, reporting for the law and legislation committee, stated that no bills

adversely affecting life insurance had been passed by the Ohio legislature. However, a savings bank life insurance bill and a bill increasing the tax on life insurance premiums will undoubtedly again be introduced in the new legislature. It seems likely that if the state sales tax is repealed, it will be obliged to seek other sources of revenue to make up the \$70,000,000 to \$90,000,000 which it annually receives from that source.

Jack Lauer, Cincinnati, chairman Million Dollar Round Table, gave the talk "What Is the Difference?" which has been a popular feature of life insurance meetings the past few months. Mr. Lauer said the million dollar producer is no different from the ordinary agent except that he has more foresight, energy, ambition and enthusiasm.

A one-day seminar on programming was held under the direction of A. M. Anderson, R. & R. Service, Indianapolis.

Buffalo, N. Y.—At the annual meeting Harlan M. Walker was elected president, Robert C. Davidson, vice-president; Ralph W. Tipping, secretary; Clarence B. Metzger, treasurer.

At the annual outing special tribute was paid to four members who have been in the business for more than 30 years each: F. A. C. Merrill, J. B. Thebaud, C. A. Hinkley and P. G. Lapey.

Mr. Merrill was honored signally last week prior to his retirement on June 1 as general agent for the State Mutual Life at Buffalo. He is being succeeded by Edward E. Hawkes, Jr., who has been general agent for this company in Columbus, Ohio. Mr. Merrill will continue as "general agent emeritus." He was president of the Buffalo association in its early days and was the first president of the Buffalo Life Managers Association. He will round out 50 years of service in life insurance in 1940.

Los Angeles—The regular forum meeting has been postponed to June 14 and will be held in connection with the regular meeting of the association, at which time Walter Gastill, general agent Connecticut General Life, will speak.

Indianapolis—A. M. Anderson, a past president of the Los Angeles association, conducted an all-day seminar, with about 50 present, on "Simplified Life Insurance Programming."

Rochester, N. Y.—New officers are: President, E. J. Schlitzer, general agent Massachusetts Mutual; vice-president, J. H. Davies, Phoenix Mutual; secretary-treasurer, W. C. Knox, Monarch Life. Mr. Schlitzer entered the business in 1925.

Iowa President



J. R. RUTHERFORD

At the annual meeting and sales congress of the Iowa Association of Life Underwriters in Des Moines, J. R. Rutherford, Des Moines, general agent of the Penn Mutual Life, was elected president.

serving for 10 years in a supervisory capacity under E. W. Hughes, now manager Massachusetts Mutual in Chicago. He succeeded Mr. Hughes as general agent in August, 1935. He is serving his second year as a director of the association and he is a member of the executive committee of the Life Insurance Trust Council of Rochester and treasurer of the Rochester Life Managers Association.

Chatanooga, Tenn.—Commissioner Britton spoke on insurance problems and the functions of his department. Burial associations are now being investigated. There are 750,000 burial association members in the state and about 90 percent of them are in rural sections.

A nominating committee was appointed to report at the June meeting. E. K. Wassmann, Aetna Life, is chairman.

Columbus, O.—The annual meeting will be held June 15. Franklin Toops, Travellers, will speak. Three new directors will be chosen from the following suggested by the nominating committee: F. R. Ackland, Massachusetts Mutual; J. H. McCullough, Union Central; H. K. Casteron, Midland Mutual; J. C. Dexter, Columbus Mutual; E. J. Kavanaugh, Reliance, and Erwin Hoffman, Metropolitan.

Fox River Valley, Wis.—Organization of a new association was completed at Appleton, Wis., at a meeting of agents from Appleton, Neenah, Menasha, Kaukauna, Chilton and Oshkosh. The new association will replace the several organizations in individual cities and make for one strong group, according to George Nixon, president of the Appleton unit. The initial membership is 87 agents. The first regular meeting and election of officers will be held at Neenah June 21.

Lansing, Mich.—The following new officers were elected at the annual meeting: President, Earle Howe, Dominion Life; vice-president, Herbert Henry, Aetna Life; secretary, Henry Novakoski, Canada Life; treasurer, Jack Krause, Penn Mutual Life; directors, C. B. Carman, Equitable of Iowa, and Ben Demarest, Bankers Life of Des Moines; national committeeman, Allen Ogilvie, Kansas City Life. Mr. Demarest was the past year's president.

St. Louis—Frank Vesser, manager of the Reliance Life, was elected president at the annual meeting. He succeeds Adam Rosenthal, Connecticut Mutual Life. Other new officers are: First vice-president, W. Scott Smith, Massachusetts Mutual Life; second vice-president, Fred T. Rench, National Life of Vermont; directors, W. J. Cusick, New York Life; J. C. Greene, General American Life, and Charles Fisher, Kansas City Life.

Louis Behr of the Equitable Society, Chicago, spoke on "My Programming Methods." Dr. R. M. Klemme, brain surgeon of St. Louis, talked on "The Professional Man Looks at Life Insurance."

Ottumwa, Ia.—Frank Markley has been nominated for president; Leighton Smith, vice-president; Lawrence Morrissey, secretary-treasurer; Edward Binger and Homer Moore, directors; M. M. Crone, national committeeman.

Boston—J. Harry Wood, manager of general agencies at the home office of the John Hancock Mutual Life, will speak at the June 16 meeting.

Fort Wayne, Ind.—The annual outing and fun festival was held this week.

Atlanta—The annual meeting and dinner will be held June 16.

Harrisburg, Pa.—Charles J. Zimmerman, Chicago general agent and secretary of the National association, will be the principal speaker at the annual meeting June 14. A boat trip will be part of the day's activities.

Georgia—At the annual meeting in Macon Harvey H. Wilson, Savannah, was elected president. Vice-presidents will be the incoming presidents of the Macon, Augusta, Columbus and Atlanta associations. Carlton E. Stephens presided with 125 present. Talks were made by Charles Chalmers, president Atlanta association; Lawrence Willett, Henry M.

New President of the Cincinnati Body



G. J. WOODWARD

G. J. "Rook" Woodward, agency manager Equitable Society, new president of the Cincinnati Life Underwriters Association, has only been in Cincinnati since 1936. He entered the business as an agent for the Equitable at Topeka, Kan., in 1927, after serving as director of athletics and football coach at Kansas State Teachers College 1920-1923 and Washburn College 1923-1927. In 1928 he was made district manager at St. Joseph, Mo. While there, he was the first president of the local association. In 1931 he was made district manager at Wichita, where he served until his appointment at Cincinnati in 1936.

He graduated from Kansas University in 1919. Mr. Woodward is a member of the distinguished triumvirate of life insurance men at Cincinnati who were all in Wichita at the same time, the others being I. B. Jackson, general agent Massachusetts Mutual, and Judd Senn, manager home office agency Union Central Life.

Powell, Douglas B. Horne, president Augusta association; Harvey H. Wilson of Savannah, and Hugh T. Gratz of Louisville.

The association delegates accepted the invitation of the Savannah group to meet in that city next year.

Northern New Jersey—John A. Ramsey, Newark general agent Connecticut Mutual Life, has donated a silver tennis tournament cup, and Frank M. Minninger, Jr., Newark manager Connecticut General Life, has donated a silver cup for the quoits tournament for the annual outing June 25 at the Mazda Brook Park, near Morristown, N. J. Charles J. Schmitz, Provident Mutual Life, is general chairman. A number of home office officials have been invited to attend.

Saginaw, Mich.—Dr. A. R. Ernst discussed diseases of the heart. He called attention to the rapid strides being made by science in combatting diseases of childhood and warned against the rise in heart troubles in the group over 40.

Bay City, Mich.—E. W. Owen, Detroit manager of the Sun Life and national trustee, spoke on "The Thirteen Keys to Success."

Casper, Wyo.—H. Allen Nye of Denver, manager Equitable Society for Colorado and Wyoming, and Grey Smith of Cheyenne, district manager, spoke at the semi-monthly meeting. E. E. Shaw, president of the Cheyenne association and state manager United Benefit Life, also was a speaker.

Decatur, Ill.—Bert C. Nelson of Milwaukee, one of the Northwestern Mutual's leading producers, who started his insurance career at Peoria, spoke. He has written a book, "Sign Here," which has made a big hit. Lawrence Rotz,

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Provident Mutual, retiring president, presided. The new officers are C. C. Clouse, Bankers of Iowa, president; B. A. Jones, Country Life, vice-president; T. B. Morris, Metropolitan, secretary.

Albuquerque, N. M.—O. Sam Cummings, national president, will be here June 24. A breakfast meeting will be held of all managers and a luncheon meeting of all life men of the state.

Bangor, Me.—Galen Goodwin is the new president of the Eastern Maine Association, succeeding Elmer Davis. Albert Mudgett is vice-president; Harriet Sampson, secretary. A sales congress will be held June 25 at Belgrade Lakes.

Omaha—The Nebraska association will hold its annual convention here June 24. Action will be taken on the proposal to

change the constitution. Officers will be elected and a golf tournament will be held in the afternoon.

The annual meeting of the Omaha association will be held June 10, with Harry T. Wright, Equitable Society, Chicago, as speaker.

Macon, Ga.—Ernest Redd, Jr., Liberty National Life, is the new president; C. H. Davis is vice-president; Mrs. Hazel Schofield, secretary, and W. E. Dozier, treasurer.

Roanoke, Va.—Harold Peterson is the new president; R. V. Fralin, vice-president; S. S. Guerrant, secretary. Dudley Colhoun is the retiring president.

Philadelphia—C. L. Benner, vice-president Continental American Life, will address a luncheon meeting June 22.

INDUSTRIAL FIELD NEWS

Should Create New Accounts

Industrial Agents Need to Extend Their Work to Families Not Now on Their Books

W. K. Smith, assistant superintendent of the Provident Industrial Life, Health & Accident of Philadelphia, in a recent talk stated that field men cannot hope to secure a steady paying increase in the growth of those debits assigned to their care nor can they expect to survive successfully the effects of the heavy lapse ratios due to the ever changing economic conditions unless they pursue methods of procuring business far different from that they have. Mr. Smith said that the old method of continually pushing for business in those homes where insurance is being purchased should be eliminated and other means of obtaining debit increase must be devised. He said that this outmoded plan too often tends to overload the premium in the individual home. When eventually the family income diminishes or stops the lapse is of such consequence that the agent finds it difficult to maintain an increase. Slowly but surely, he said, the debit loses ground.

Premium Becomes Too Heavy

Other than the natural application expectancy in homes in force on the debit due to birth, marriage, relatives moving in, boarders, and so on, Mr. Smith advised against increasing the premium on individuals except where insisted and then only after carefully considering the ability of the person to meet the increased premium. He said all have had the sad experience when glancing over a collection book to find a recent premium addition to a family case has converted it from a consistent to a haphazard pay. The answer is generally that the premium is too heavy.

Mr. Smith advocated getting into new homes, placing some business there and thus getting a new family started. It is harder work than the method already adopted, but in the long run it will produce more and better results. He said there are many homes that could be entered and insurance written, if an effort were made. A straight canvassing method he said is a good one. In addition he suggested the reference or recommendation calls of existent policyholders, their relatives, friends and neighbors. Specialize, he said, on one policy, preferably the infantile contract. Its contents and features should be studied and its value driven home to the parents.

Colonial Life Convention

The Colonial Life has selected the Hotel Cavalier at Virginia Beach, Va., as the place for its annual field organization convention, which will be held Sept. 13-16. Members qualifying for attendance will board the S. S. "Robert E. Lee" in New York City Sept. 13 and sail to Norfolk, Va. The greater part

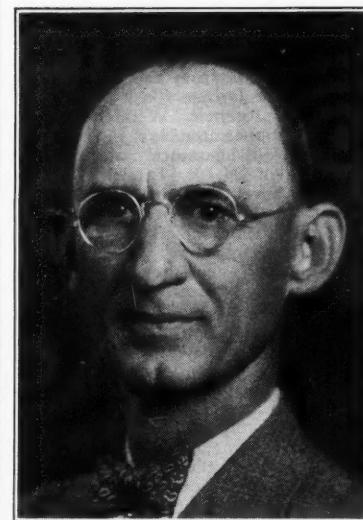
of the time will be given over to sports and recreation. Those who wish to may take a trip to historical Yorktown, Williamsburg and Jamestown. The entire party will return to New York by boat, arriving Sept. 16.

With John Hancock 43 Years

Henry Seinfel, manager in Hoboken, N. J., for the John Hancock Mutual Life, has completed 43 years of continuous service.

The golf outing of the Chicago Actuarial Club will be held June 17 at the Rolling Green Country Club, Arlington Heights.

New Chairman



H. T. DOBBS, Atlanta

H. T. Dobbs, recently elected chairman of the executive committee of the Industrial Insurers Conference, has been one of the most active and leading figures in industrial insurance in the south for nearly 30 years.

First entering the business in 1909 in the clerical department of the Industrial Life & Health of Atlanta, Mr. Dobbs has spent his entire business career with that company, and now holds the position of first vice-president. After several years in the home office, he was transferred to the field, working in Florida. In 1924, he returned to the home office, and in that year was elected a director. In 1928, he was elected second vice president and in 1933, became first vice president, the position he now holds.

He has been active for many years in the work of the Industrial Insurers Conference, and held several responsible appointments before being elevated to chairman of the executive committee. In addition to that post, he is chairman of a special committee delegated to obtain a full-time secretary for the conference.

LIFE INSURANCE OPPORTUNITY IN IOWA

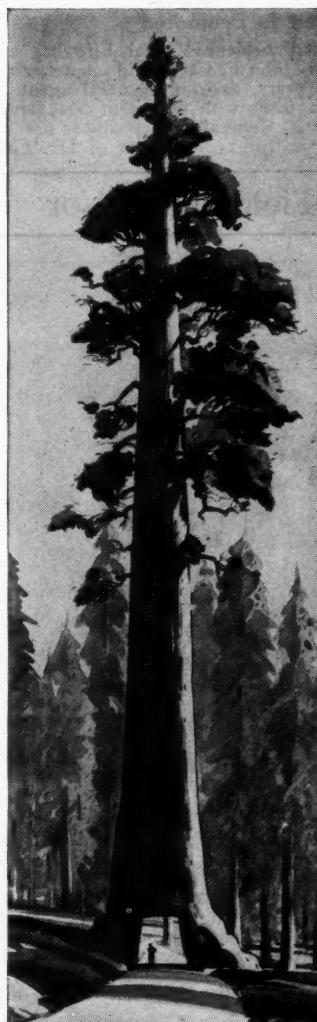
A legal reserve life insurance company with thirty years of successful operation offers an unusual opportunity for a man with a clean and successful record.

The man we are looking for will be not more than fifty years of age. He must have a good knowledge of life insurance, a car, and some local connections, as his work will be the appointment and training of new agents.

The compensation will be a salary and expenses, with suitable bonus for performance.

Correspondence is invited. Please give us any pertinent personal details and a brief resume of your business experience, particularly in the life insurance business.

**Address H-63
THE NATIONAL UNDERWRITER**



Get 5-Way Protection

Our 5-Way Plan offers protection against the five great hazards of modern life—sickness, accident, accidental loss of limb or eyesight, old age, death. It pays if you live; it pays if you die; (4 out of 5 payments go to living policy holders) Send for 5-Way Folder.

*"Time to Think
About Life Insurance"*

Pacific Mutual
Giant of the Pacific
LIFE INSURANCE COMPANY
LOS ANGELES, CALIFORNIA

LIFE AGENCY CHANGES

Quinn Heads Minneapolis Agency of New World Life

New World Life announces the appointment of John W. Quinn of Minneapolis as its northwestern division manager. Mr. Quinn has a thorough background of life insurance training and experience. He was for years manager for Minnesota for Missouri State Life with headquarters in Minneapolis. He later built a company of his own, United Life Association, of which he was president. The northwestern division is one of the larger and more aggressive of the New World Life agencies.

Holgar Johnson's Promotions

Promotions have been announced by General Agent H. J. Johnson of the Penn Mutual Life at Pittsburgh. W. J. Wright is placed in charge of recruiting and training new agents and A. F. Randolph is made supervisor of a unit of 10 men. Mr. Wright has been doing supervisory work for the last three years, hav-

ing a unit of 10 new men in the agency. Mr. Randolph has been engaged in personal production. Both are graduates of the University of Pittsburgh and have been connected with the Johnson office for eight years. They have appeared on Penn Mutual programs and other insurance conferences.

Aetna Advances Sisson

Clyde Sisson, supervisor of the K. A. Luther agency of the Aetna Life in New York City has been made assistant general agent of the C. C. Edwards agency of Chester, S. C., which represents the Aetna Life for the entire state of South Carolina. Mr. Sisson's headquarters will be at Columbia.

Mr. Sisson has been with the Aetna Life a little more than four years, first as salesman in New York City and then as supervisor from 1935 until June 1 of this year, the date his appointment in South Carolina became effective. He is a native of Alabama but spent most of his early life in Mississippi. He attended the University of Chicago and Kansas Wesleyan University, and was graduated from the latter institution in 1931. He held the Kansas intercollegiate singles tennis title and is a golf and bridge enthusiast.

General Agent at Oakland

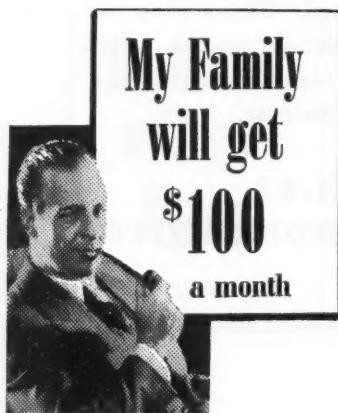
Charles J. Taylor has been appointed a general agent for the Beneficial Life at Oakland, Cal. Mr. Taylor has been assistant general agent in Ogden, Utah.

Davenport to San Antonio

G. A. Davenport, general agent of the Aetna Life in Chattanooga, Tenn., since 1930, has resigned June 1 to become general agent of the John Hancock Mutual Life at San Antonio, Tex.

Carden Is Promoted

The Provident Mutual Life has appointed John F. Carden, life underwriter of 12 years, assistant general agent in Chattanooga with offices at 306 James building. General agency offices are located in Knoxville. Most of Mr. Car-



• "Yes, my income—or at least part of it—will continue month after month for five full years beyond my lifetime! In addition, my family will receive a substantial sum in cash—to cover emergency expenses and urgent debts."

• WELL PLANNED APPROACHES, SALES TALKS, CLOSES . . . AND A MODERN LINE OF POLICIES TO FIT TODAY'S NEEDS . . . ASSIST OLD LINE LIFE AGENTS IN PROFITABLE SELLING.

• ACTIVE AND FRIENDLY COOPERATION.

• Inquire Now About Agency Openings Available in: Illinois, Iowa, Michigan, Minnesota, Wisconsin.

OLD LINE LIFE
Insurance Company of America
MILWAUKEE, WISCONSIN
Life—Accident—Health

Field Supervisor



E. E. CAMPBELL

The Canada Life has appointed E. E. Campbell as field supervisor of the Los Angeles branch. After graduating from Lafayette University and Pomona College, he joined the Canada Life in March, 1935, and has been a production club member each year since then. In March, 1937, he was appointed district manager for the Pomona Valley district.

den's experience has been with Phoenix Mutual Life in Chattanooga. For four years he was assistant manager of that office.

Abrams Takes General Agency

I. Abrams has been appointed Philadelphia general agent of the Colonial Life with offices in the Fidelity-Philadelphia Trust building. Mr. Abrams has successfully served the Colonial for nine years. He has been manager at Norristown, Pa.

W. H. Ford Oklahoma Manager

Will H. Ford, general agent for American National Life in Galveston, Tex., has now been appointed Oklahoma state manager with headquarters in Oklahoma City.

L. W. Everett is now unit manager of the Equitable Society in Worcester, Mass. He succeeds B. J. Pierson, who has left the life insurance business.

S. Tilford Payne has been appointed supervisor in the Louisville agency of the Ohio State Life. He formerly was with the Mutual Life of New York and is a past president and present secretary of the Louisville Lions Club.

NEW YORK

Knight Agency Celebrates Successful Drive at Outing

The five-week "Family Needs Air Circus" campaign of the Charles B. Knight agency of the Union Central Life in New York City netted \$3,870,000 of completed applications and \$2,653,000 new business delivered, it was announced at the dinner which concluded the agency's annual meeting at the Westchester Country Club. Walter Barton, president of the agency, introduced the guests from the home office, Vice-president Jerome Clark and Superintendent of Agencies Wendell Hanselman; also Superintendent Pink of the New York insurance department; Vice-president H. P. Dunham of the American Surety; Samuel Feller, former deputy superintendent, and Nelson B. Hadley, former chief of the life bureau.

Paul Ranck, vice-president of the agency, awarded prizes for leadership in the sales drive to Walter Leon, Lester Rosen, Isidor Fleisher, Ben Bonder, Stanley Krohn, S. Livingston, C. F. W. Trabant, F. J. Burgdorff, Louis Guberman, Herman Stark, Joseph Gross, Joseph Vernon and D. H. Ward.

The sales campaign was preceded by the heaviest home office circularization in the history of these drives. Agents sent 60,000 names to the home office for circularization, resulting in 2,000 leads.

Gardiner Entertains for Camps

Harry Gardiner, general agent in New York City John Hancock Mutual Life, was host at a luncheon this week for Manuel Camps, Jr., new John Hancock general agent in New York City. President G. W. Cox was present from the home office, as was J. Harry Wood, manager of general agencies, and B. K. Elliott, vice-president and general counsel.

Other guests were prominent general agents and managers of New York and Brooklyn.

Knight Agency Production

The C. B. Knight agency of the Union Central Life in New York City paid for \$2,035,455 in May as against \$2,519,811 for May, 1937. For the first five months paid business was \$7,469,520 as against \$10,146,670.

Mutual Benefit Leader to Speak

M. M. Matusoff, Cleveland, production leader of the Mutual Benefit Life for 1937 and a member of the Ohio bar, will speak on "Prestige Through Service," at

New Prudential Head for Oklahoma-Arkansas Field



CHARLES D. JOLLY

Charles D. Jolly becomes manager of the ordinary department of Prudential for Oklahoma and western Arkansas effective July 1.

He succeeds J. G. Land, who has held the same position for many years but who has found it necessary to retire on account of his health.

Mr. Jolly completes 25 years with Prudential June 9. He started as a special agent in Trinidad, Col., in 1913 and operated at that point until 1929 at which time he was promoted to assistant manager of the Glen A. McTaggart agency in Denver and made his headquarters there. As a special agent he was always the agency leader in production, and as an assistant manager he has written a good volume of personal business in addition to his supervisory duties in Denver, southern Colorado, and New Mexico.

Mr. Jolly is past vice-president of the Colorado Association of Life Underwriters and was chairman of the supervisors committee at the National association convention held in Denver last August.

the annual meeting of the New York City Life Underwriters Association at the Hotel Pennsylvania at noon June 14. Election of officers and the new board of directors will follow the luncheon.

Delong's May Record

The C. E. Delong agency of the Mutual Benefit Life in New York City paid for \$1,101,600 in May as against \$1,100,050 for May, 1937. Paid business for the first five months was \$6,388,153 as against \$5,749,750.

Fraser Agency Figures

The Fraser agency of Connecticut Mutual Life in New York paid for \$743,755 in May and for \$4,798,757 for the year to date.

Metropolitan Life Leads in N. J.

NEWARK—The Metropolitan Life again led in the amount of ordinary insurance issued in New Jersey with a total of \$93,593,042 in 1937, while the Prudential was second with \$68,472,225. The John Hancock Mutual Life was third with \$14,675,042.

In the group field, the Metropolitan Life led with \$49,458,840, while the Travelers was second with \$35,244,579. The Prudential was third with \$24,448,217.

In industrial, the Prudential led with \$119,976,554. The Metropolitan Life was second with \$102,489,637. The John Hancock Mutual Life was third with \$19,163,807.

Total life premiums for all companies were \$160,392,506.

Complete financial data, policy facts, rates and values in the 1938 *Unique Manual-Digest*, \$5. National Underwriter.

Sam Hay Elected Texas President at Annual Meet

(CONTINUED FROM PAGE 4)

Texas Leaders Round Table. Total membership as of the convention date was revealed to be 179 compared to 146 the year before, but several additional names are to be included. Through the Leaders Round Table, the Texas association first puts emphasis on quality of production and agency personnel by fixing the main requirement at \$6,000 of new first year commissions and then honors those agents who qualify.

Costello Heads Leaders

The convention adopted a resolution creating a permanent organization for the Leaders Round Table with a chairman. The Leaders will hold a special session prior to the annual convention. An emblem for the Leaders also was authorized. The qualification period was changed to the calendar year. John P. Costello, Southwestern Life, Dallas, was elected the first chairman.

The association went on record for the establishment of a chair of life insurance at the University of Texas.

The administration of President Douglas was marked by the successful inauguration and operation of a plan whereby he provided speakers monthly for all local associations in the state, including outstanding life insurance men from other states.

Mr. Douglas recommended that in the future the local associations throughout Texas be allowed to participate in the annual sales congresses held in Dallas, Houston and San Antonio each January, providing at least 10 members from the association attend, and that all profits over the participation go to the state association.

He urged careful consideration by all

"Career Contracts"

"If your life is worth investing in a business, that business should guarantee the safety of your investment."

That's why we do business on "Career" Contracts, looking first to these elements of permanency and security. (1) Contracts direct with the company. (2) Perpetual basis—cancellable only for serious violation with non-forfeitable vested renewals. (3) Liberal commissions—twelve policies at top. (4) Registered policies. (5) Both Par and Non-par. (6) Insurance ages 0 to 60. (7) Intermediate amounts under \$1000—Individual and Family Forms. (8) Salary Savings—Bank Collection Plans. (9) Annuities—Retirement Income—Family Income—Business Insurance—Thrift Plans—Mortgage protection—Educational Programs. (10) Home Office supervision and training schools—visual sales kits. (11) National trade journal advertising.

O. R. McAtee, Director of Agencies

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

"Registered Policy Protection"
THEO. P. BEASLEY
President & General Manager

Home Office:
Dallas, Texas

local associations in selecting their officers so as to make sure that they are vitally interested in local association affairs and that each local association president attend the state association meeting, and also that the state association continue the program of providing speakers for the local associations.

The nominating committee was headed by Starkey Duncan, San Antonio, and the resolutions by R. R. Lee, vice-president and agency director, Southwestern Life, Dallas.

On the main program President Cummings promised that henceforth the National association will place its membership recruiting on a quality instead of a quantity basis. He vigorously opposed the bank savings life insurance plan recently adopted in New York.

Other speakers included R. L. Thomas, Fidelity Union, Dallas, on "Life Insurance a Modern Miracle"; John P. Costello, Southwestern Life, Dallas, on "Why Men Buy Life Insurance" and Paul W. Ussery, Fidelity Union, Clarksville, on "Keeping Step with the Pendulum."

General Agents Meet

At the General Agents & Managers Section meeting in charge of Jul B. Baumann, Pacific Mutual general agent at Houston, a highly instructive program was presented in the panel manner. The development of an agency was traced from the original planning down to supervision. Speakers included: H. D. Mouzon, Jr., Amicable Life, Fort Worth, "Getting Ready to Build" and George V. Brooks, Southwestern Life, Fort Worth, "Finding the Man." Ross Priddy, Southland Life, Dallas, presented "Training that Pays," followed by H. Thad Childre, State Mutual Life, Dallas, "Supervision that Pays."

The third section was presented by two San Antonians, Bert Perry, Reliance Life, on "The Post-Graduate in Training" and Archie Helland, Connecticut Mutual Life, "Stimulation for the Old and New Man." The final section was presented by Houston managers, William Harrison, Union Central, on "Financing Plans" and Harold J. Rossman, Equitable Society, "Supervision as a Problem."

Tells of Questionnaires

At the managers section luncheon Paul G. Bell, assistant general agent State Mutual Life, Houston, presented the results of a questionnaire distributed among Houston life underwriters on which they gave frank answers as to their likes and dislikes in their own agencies.

H. B. Wernette, president of the Corpus Christi association, reported that the first full four-year life insurance course to be established in a Texas college had been inaugurated at the Texas College of Arts & Industries at Kingsville.

The local entertainment was provided by the American National and Texas Prudential, home companies. Arrangements were in charge of Frank E. Simmen, Great Southern Life, immediate past president of the Galveston association, and George B. Strickland, the new association president. Will H. Ford, American National, was master of ceremonies at the banquet. Bishop Sam R. Hay of the Southern Methodist Church spoke at the luncheon honoring the Leaders Round Table.

Joins Acacia as Agency Supervisor

H. W. Storck has joined Acacia Mutual as agency supervisor. He was born in New York, and became a salesman for Procter & Gamble. After 12 years service with the Berkshire Life as agent, assistant manager and manager, he served as general agent of the Monarch Life, following which he became educational director of the Jones agency of the Mutual Life in New York City. When active as a soliciting agent, Mr. Storck has placed as high as \$475,000 of life insurance in one year.

RECORDS

Scranton Life—Paid business for May was more than 50 percent higher than for the same month a year ago. It was the largest month so far this year both in respect of written and paid.

Reliance Mutual Life, Chicago—It increased production in April in honor of President O. W. Carlson by 128 percent compared with the similar month of last year. John Maskel, Jr., won first honors by writing 18 paid applications. H. E. Flanagan was first in volume with \$21,500. The prize of "Little Gem" rate book, published by THE NATIONAL UNDERWRITER, went to all agents who made their monthly quotas. The home office general agency, of which V. V. Moore is manager, was responsible for 82 percent of the entire production in April. He gave a banquet to the agents at the close of the campaign in token of his appreciation for the showing made. President Carlson was guest of honor and other home office officials attended. Mr. Moore presented 22 new agents with diplomas signifying their completion of the home office agency training course.

Illinois Bankers Life—Life sales in May increased 35 percent over the similar month last year. For the first five months the increase was 38 percent. The May production was the largest of any month during the last nine years except March of this year. It was the ninth successive month of gain over the similar months a year ago. During the last twelve months, with the exception

of one month, August, sales show a substantial increase. The accident and health department also shows fine gain, the May sales running 22 percent ahead of May last year, being the largest of any month since October, 1929. In only six months since this department was established 24 years ago has the monthly total in May been exceeded. For the first five months, the accident and health commercial sales showed an increase of 55 percent.

Lincoln National—At the close of the May drive in honor of President A. F. Hall, insurance in force stood at a new high, \$976,939,405. May began the intensive drive toward the billion dollar mark of insurance in force.

Vice-president A. L. Dern officially presented President Hall with the May rose cards, symbols of applications written in his honor. Every rose card represents an actual May application.

Hood Is Richmond Manager

James A. Hood, district agent Equitable Society, Richmond, Va., has been appointed manager of the Union Central Life agency there. He succeeds J. C. Greenfield, resigned. He was installed as manager by H. P. Winter, assistant superintendent of agencies, in a meeting attended by the entire agency staff.

Born in Wake County, N. C., April 1, 1893, Mr. Hood entered the life insurance business in 1918, to remain with one company until signing the Union Central contract a fortnight ago.

His personal production throughout 20 years has averaged better than \$250,000 a year.

Modern Life Insurance Since 1845



BACK of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

The Mutual Benefit

LIFE INSURANCE COMPANY

Newark, New Jersey

Pure Protection LOW COST Life Insurance No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY
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"THE SUN NEVER SETS ON AN UNPAID CLAIM"

Would You Like to Represent a Company

That writes both participating and non-participating Insurance?

Whose net cost compares favorably with your competitors? (Check this and see how favorable it is.)

That has the proper Agency spirit?



If so, write to

**CHAS. E. WARD,
Vice-Pres. in charge of Agencies**

**SHENANDOAH LIFE INSURANCE
COMPANY, INC.**
E. Lee Trinkle, President

Roanoke

Virginia

Advance Definite Gain and Loss Exhibit Proposals

(CONTINUED FROM PAGE 1)

the present blank such as "loss from loading" and "gain on surrenders," have been eliminated.

Many company executives have come to the conclusion that a revision of the gain and loss exhibit is essential, because it creates misleading impressions. Life insurance detractors have been able to develop some plausible arguments by reference to this exhibit and it is difficult for actuaries to make the layman understand that the exhibit is to a large extent a fiction and that all sorts of allowances have to be made. The figures in the gain and loss exhibit imply that the entire operations of the company are based on a legal standard of valuations, American experience with 3 or 3½ percent interest, whereas these standards are properly applicable only to the determination of reserve liability and related surrender values. As a matter of fact, non-participating companies although keeping reserves on the table, do not employ that table in making premiums. The exhibit therefore does not tell the truth and gives a false story.

Entries Are Set Forth

The first 32 lines consist of a statement of cash income, cash outgo and increase in reserve according to lines of business including industrial; ordinary broken down in respect to life insurance, disability, accidental death benefits and annuities; group, broken down in respect of insurance and annuities.

The items of income are: premiums and other considerations; interest, dividends, rents, investment expense (including investment taxes); net investment income; capital gains; capital losses; capital net gains; supplementary contracts and dividend accumulations, not involving life contingencies.

Items in Outgo Bracket

In the outgo bracket the items are: death, maturities, disabilities, annuities; surrender values; supplementary contracts and dividend accumulations, not involving life contingencies; other contractual benefits; taxes (excluding investment taxes); expenses other than taxes and investment expense.

In the bracket "Increase in Reserves" are these headings: reserves for future payment on outstanding contracts involving life contingencies; reserves for future payments on supplementary contracts and dividend accumulations, not involving life contingencies; special reserves.

Then there is an entry for net income which is income minus outgo and minus increase in reserves. Below net income are entries for dividends to policyholders, dividends to stockholders, increase in contingencies reserves; net increase in surplus; surplus Dec. 31 preceding year; surplus Dec. 31 current year.

Actuarial Analysis

Then follows the controversial "Actuarial analysis of increase in reserves involving life contingencies."

This is something of a work sheet indicating how the increase in reserves shown above is arrived at. Actuaries state that from this analysis can be derived the ratios that are shown in the present gain and loss exhibit and to which so much exception is taken.

This analysis includes these entries: reserves Dec. 31 of previous year; tabular premiums or considerations; present value of disability claims incurred; tabular interest; tabular less actual reserve released; other increases (net). These items are totaled according to lines of business and then there are deducted: tabular costs, reserves released by death; reserves released by other termination (net).

Social Security Topic Dominates Actuaries Confab

(CONTINUED FROM PAGE 1)

desire to come in "slacks" and not in cutaways.

There will be four sessions devoted to informal discussion, the first on Wednesday of the convention week, two on Thursday and one on Friday. The American Institute will have a short business meeting early Thursday morning and the Actuarial Society will have its business session Wednesday morning. There will be a dinner dance Wednesday evening.

J. S. Elston, Travelers, was designated to represent the institute at the Mathematical Society meeting at Columbia University in September.

Memorials were presented for two members who had died since the last meeting, they being Frederick A. Williams, who had a company in Mexico, and E. M. Blehl, Philadelphia Life.

Shannon Presents Paper

Simon Shannon, Great-West Life, presented a new paper on "Admissibility of Mortality Tables in Court Evidence."

M. F. Auden, Confederation Life, gave a digest of a paper he had prepared on "Non-medical Insurance." He said it consists of some repetition and a synopsis of what has been written before and brings the situation up to date.

Annie Mary Lyle, General American Life, who enjoys the admiration of the members for the series of papers that she has prepared on various aspects of heart disease and underwriting, presented still another paper in the series devoted to the question of when to call for an electro-cardiogram. The choice of cases is complicated, she declared. The value of the electro-cardiogram differs with different types of heart disease. The problem is to employ the electro-cardiogram so as to effect mortality saving that will balance the fees involved.

Paper on Social Security

Mr. Hohaus presented a paper "Equity, Adequacy and Related Factors in Old Age Security."

He said, in voluntary, private insurance, the objective is to bring about the greatest degree of equity among the classes. In social insurance, on the other hand, the objective is to provide society with some protection against one or more of the major hazards that are widespread and social in nature. The factor of adequacy rather than equity predominates.

Mr. Hohaus expresses the belief that in the present social security system in this country the factor of equity is unduly emphasized. For instance in the earlier years the pensions are small. Thus the factor of adequacy for early beneficiaries is neglected. Moreover large numbers of the working population are excluded. He voiced the opinion that the setup would be modified when people get to know more about it.

Large Reserve Contemplated

One of the main reasons for the large reserve now contemplated in connection with the old age benefit system, he declared, is that the benefit formula contains too much of the private insurance principle of equity and not enough of the social insurance principle of adequacy. He contended that the actuarial technique of financially maintaining a plan on private insurance principle, stressing equity, cannot be applied to a social insurance plan like the old age benefit system.

He warned against too hasty action in introducing changes and stressed the danger of liberalizing benefits in the early years of a plan without concurrently making provision for offsetting

curtailments in the benefit expenditures in later years. Miss Helen Clark, American United, gave a paper on "Validity of Aviation Exclusion Riders." There are, she said, five reasons why an aviation exclusion rider may not be used or if it is used why it may not be valid.

Statutory Provisions

It may be invalid, she declared, because it is in conflict with the statutory provision as to contestability. It may be in conflict with other policy provisions such as the uncontested clause. It may be in conflict with the statute prohibiting making an adjustment of a claim for less than the face amount of the policy. It may be disapproved by the insurance commissioner and it may contain ambiguous or inaccurate wording. She refers to various court decisions and to the situation in the different states. In general, she said, the trend has been favorable so far as the companies are concerned.

V. R. Smith remarked that in Canada there are practically no statutory limitations on the clauses in policy contracts.

An actuarial note was presented on graded death benefits in juvenile insurance by Clyde W. James, Midwest Life.

Business Insurance Mortality

R. C. Guest, State Mutual, gave a discussion on a paper presented at the previous meeting by Percy H. Evans, Northwestern Mutual, on mortality experience in connection with business insurance.

He said a study would be valuable of the experience on business insurance that is reissued as personal insurance. Mr. Guest expressed the belief that here the greatest selection against the company is encountered.

He suggested several underwriting considerations in respect of business insurance. The relationship of income and amount of insurance must be taken into consideration. The underwriter should determine the purpose of the insurance and whether it is justified. There may be a reason other than the avowed one. Agents are likely to minimize the less favorable factors. It is difficult to get at the inside facts which the principals in the business know. There should be a close study of the financial condition of the organization but this is easier said than done. It is important to seek to apprehend the future trend of the particular business. State Mutual, he said, requests a copy of the last income tax report in controversial cases.

Age of Key Man

The age of the key man should be given consideration. If the man is young and the amount of insurance requested is large, a factor of doubt is introduced. He expressed the belief that a firm should express its confidence in the man to be insured by paying him a substantial salary before asking the insurance company to become interested to a substantial degree.

V. R. Smith said that companies in a certain case have been criticised for taking a risk, where the assured's health was not good and the business was shady. This operator used his policy to inveigle people to invest in his proposition. That is, he used the policies as a badge of good reputation and sound health. Underwriting committees, according to Mr. Smith, should be on the lookout for such situations.

L. O. Shudde discussed a paper presented at previous meeting by two Metropolitan actuaries on the public pension system in Sweden. He paid a high compliment to the Metropolitan for the research it has conducted and the thought it has given to the social security problem. Mr. Shudde is senior actuarial mathematician Social Security Board.

M. F. Auden read a discussion on the same paper that had been prepared by Benjamin Holmes, Confederation Life. Mr. Holmes said that social insurance is so new in North America that it is

necessary to go to Europe to ascertain what the experience has been. In connection with social security, Mr. Holmes said, the test of whether it can be done at a profit must be abandoned and the test applied of what purpose is being served and how can it best be served.

He referred to the effect of public pressure in Sweden resulting in abandoning mathematical equations. It is best, he said, to get practical solutions at an early stage. It is important to create counter-pressure, to keep the costs down. The underlying question, he declared, is what percentage can be taken from current income and be redistributed through social security schemes.

Another commentator referred to the dynamic character of social insurance programs. No such program will ever remain unchanged, he said. If too heavy a burden is placed on the productive capacity of the country, the benefits may have to be reduced.

Removal of Ratings

There was considerable discussion of a paper previously presented by Pearce Shepherd, Prudential, on removal of ratings. Mr. Shepherd, in order to start an argument, as he explained later, to clarify the matter in his own mind, had asserted the theory that it is equitable to remove entirely a rating when the impairment for which the rating was assigned, no longer exists, even though a second impairment has developed, if the second impairment was not the result of the first impairment. All of those who commented on this paper took an opposite position.

W. A. Jenkins Gives Ideas

W. A. Jenkins, Teachers Insurance & Annuity, referred to some of the considerations involved and among other things said it is difficult to determine whether the first and second impairments are related, especially when both the old and new impairments are medical rather than occupational. The cost of removing ratings must be borne somehow and Mr. Jenkins expressed the belief it is not equitable to permit this cost to be shouldered upon the entire body of policyholders by thus increasing the general level of mortality.

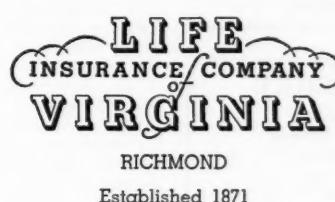
W. O. Mengen, formerly of Lincoln National, who has just become actuary of Conservative Life of South Bend, said that so far as competitive considerations are concerned, the rating need not be removed where a new policy would cost at least as much, by reason of the second impairment. It is not inequitable, he contended, to decline to remove the rating for the first impairment where a second impairment exists. He referred to a case where a first rating had been imposed for bladder cysts. This condition disappeared but a heart murmur developed. If a new policy were issued, the premium would be higher than the premium with the first rating. It is not inconsistent, he said, to decline to remove the rating. Suppose, he said, there were an assured who had two policies upon which there was an initial rating of \$10. One of the policies was lapsed. Upon application for rerating in connection with the policy still in force, it is found that the rating for the first impairment could be reduced to \$3 but a new impairment exists which would take a \$15 rating if the application was for new business. At the same time the assured applies for a new policy to take the place of the one that had lapsed. For the new policy he would be charged an extra premium of \$18, whereas under Mr. Shepherd's theory, the rating on the first policy would be reduced to \$3.

M. J. Goldberg, Equitable Society, presented a discussion that had been prepared by A. C. Webster of the same company. He contended that the company should refuse to remove the rating where the life is physically impaired.

Simon Shannon presented a discussion that had been prepared by an officer of his company who contended that removal of the rating should be refused unless evidence of insurability is presented. He referred to the fact that im-

IN RETROSPECT

Last month's Annual Message of Life Insurance emphasizes the fact that the most effective life insurance message is expressed day by day in the policy-proceeds promptly paid to the aged, the widowed, and the fatherless. "Money talks" and life insurance money speaks in dulcet tones to thousands who might otherwise be destitute.



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From Birth to Age 60
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Territory for Agents
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PENNSYLVANIA

FRANK M. SPEAKMAN
CONSULTING ACTUARY
Associates
Fred E. Swartz, C. P. A.
E. P. Higgins
THE BOURSE PHILADELPHIA

Improvement in a physical impairment may be only temporary.

Another discussant suggested that if the assured can go elsewhere and get insurance at standard rates, the rating should be removed; if not the rating should stay.

The first topic for informal discussion had to do with financial matters. F. J. McDiarmid, Lincoln National Life, discussed the matter of sinking funds with particular reference to utilities.

He said in recent years the utility industry has been the largest single field for corporate investments on the part of life companies. He contended that the indenture should provide for rapid retirement of debt. Such retirement can only take place when earnings are on a fairly high level. Due to public regulation and other factors, he predicted that utilities in the future will show a decline in earnings. It will be hard for them to get rate increases. If the debt is not retired at an early stage, it will never be retired, he said. It is not safe to go on the assumption that the utilities will always be able to earn a fair return on a sound rate basis. He said that many of the publicly owned electric systems have been engaging in an ambitious program of debt retirement. As time goes on, such systems will be faced with greatly decreased capital charges and will be able to cut their rates, which will operate to the disadvantage of private systems. He advocated that pressure be put on the privately owned systems that have large capital charges to retire their indebtedness.

The utilities take the position that they should not be required to retire their debt so long as they are required to spend money for new additions. Mr. McDiarmid contended that the utilities should retire the debt over the life of the property. The maturity of a bond issue is no guarantee of its retirement, he said. If a debt is not scaled down, the investor may never get his money back. He gave results from an analysis that he had made so far as debt retirement is concerned of several utility bonds. In some indentures there was no provision for debt retirement. In others there was provision for a certain amount to be spent annually for property additions or for debt retirement. Such a provision, he contended, is of little value. Only 27 percent of the bonds investigated provided for a definite sinking fund. He said the survey was very discouraging to him.

Dominion Housing Act

A paper that had been prepared by L. S. Davis, Manufacturers Life, was read. He told something about the Dominion housing act. It has resulted in better appraisals and sounder construction, he said. There has developed a pooling of information among companies so as to prevent brokers from getting competitive bids. There has been a movement toward standardization of forms.

W. P. Coler, American United Life, gave a talk in which he expressed the belief that the importance of sinking funds has been overemphasized. In the utility field, he said, the key to the situation is proper depreciation of property. Proper accounting in this respect is more important to the investor than serial repayment of bonded indebtedness. He said he prefers to depend upon adequate depreciation rather than upon serial bonds. A company may pay off \$3,000,000 on its old debt in a year and incur \$25,000,000 of new indebtedness, he said.

T. A. Phillips, Minnesota Mutual, said that the purpose of a sinking fund is to reduce debt or to provide for payment of the debt in total or part at maturity. Railroads and utilities are dynamic industries and require new capital constantly. A sinking fund, he said, is effective only if a balance remains after all operating and upkeep costs and sinking fund payments are taken care of. If there is not such a balance, the effect, he said, is only to retire some of the bonds while issuing some others. This may obscure the real necessities of the situation.

He said that from 1922-1930 the net railways operating income less fixed

charges of the class 1 railroads was \$3,100,000,000 while net additions and betterments were \$4,500,000,000. In the years 1911-1921, except for the years when the government operated the railroads, the net earnings were \$1,600,000,000 and additions and betterments were \$4,300,000,000. If all the earnings had been applied under sinking funds, the debt would not have decreased, he said.

Protection through sinking funds, according to Mr. Phillips, is a minor matter compared with conservative financing. A good rule to follow is in hard times, if an industry has to increase its debts, to issue bonds. In good times debts should be retired through sale of stock. But these industries have to be permitted to produce earnings in times of prosperity to carry through on such a program.

A. T. Maclean's Paper

A paper that had been prepared by A. T. Maclean, Massachusetts Mutual, was read. Under some circumstances, he said, a sinking fund is absolutely necessary. For instance, in connection with mining properties or others whose chief asset is gradually diminishing in value. However, in addition to the factor of depletion there is also the matter of "functional obsolescence." He mentioned as an example the traction business which has almost entirely disappeared. It is fallacious to think that if a railroad property is properly maintained, lessening in value does not occur. The theory of perpetual indebtedness was developed in connection with railroads. The theory was advanced that refunding was always possible. Insurance companies, he said, should insist on sinking funds. The ratio of debt to the value of property should be reduced.

NEW MORTALITY TABLE

C. A. Taylor, Life of Virginia, was given the floor to tell something about the work of the committee of the commissioners convention that was appointed to look into the matter of the desirability of having a new mortality table. Mr. Taylor is the company representative on that committee. Several questionnaires have been sent to the companies asking for experience on extended insurance, ordinary and industrial and also regional mortality. They were asked to state their methods used in computing surrender values and premiums. The committee has prepared an empirical table for test purposes. There was a meeting in New York in April. The committee decided to present a short interim report at the forthcoming meeting of the commissioners in Quebec.

W. P. Coler Gives Report

W. P. Coler, American United Life, gave a short report concerning the study that is being given by the committee on blanks to revision of the gain and loss exhibit. Mr. Coler is a member of the company committee that is functioning in the matter. At the request of Ralph O. Hooker of the Connecticut department, the company committee has sent to companies two forms of suggested revisions. The companies have been invited to give their comment. The revision tentatively suggested by Mr. Hooker consists of 45 lines. The company committee has approved the first 32 lines but takes exception to the balance.

There was some informal discussion on agency and production matters.

H. F. Rood, Lincoln National, got a hand when he proposed that there be some uniform designation for different types of policies. He said that much confusion is created because of the nomenclature that is employed. Some sort of uniform labels are desirable.

E. D. Armantrout, Provident Mutual, explained what his company has done in the way of getting up comparisons of the worth of various agencies. Considerable work was involved, but subsequent studies should be easier to make.

W. J. Adams, Canada Life, said that in the last year his company had devised

some new methods of agency measurement.

E. C. Henderson, Connecticut General, read a paper that had been prepared by J. M. Laird on an underwriting topic. It had to do with underwriting reinstatements. As a general rule, he said, the incontestable period can be regarded as starting over again with the date of the reinstatement.

W. A. P. Wood, Canada Life, said that in underwriting reinstatements, his company is more lenient if it is a first offense and if the original application is of comparatively recent origin. If the policy has been in force for a great many years and it is the first reinstatement, the company is liberal. If there has been a series of reinstatements, then the company treats the application as rigidly as it does an original application.

In the original application for standard business, the system is employed of rating up the applicant in age. However, when impairments are shown in connection with reinstatement, this is simpler. It embraces no allowance for extra dividends or commissions and there is no change in surrender values. In connection with total disability and double indemnity, if there are some unfavorable factors but the company is still willing to reissue these benefits, the rate is advanced to one and one-half or two times the original rate.

Factor of Anti-Selection

Another speaker said that the companies must guard against anti-selection. In connection with short period lapses, however, the underwriter may assume that there is little anti-selection and can be lenient. After three months his company employs strict underwriting methods.

H. L. Feay of the New York department asked whether it is proper for the companies to apply severe requirements when it comes to reissuing disability or double indemnity benefits upon reinstatement. One company in New York, he said, was pursuing the policy of refusing to allow any reinstatements of these benefits. This was called to the attention of the New York department and the state authorities required this company to advise all of its policyholders that if they lapsed, their disability benefits would not be reinstated.

C. H. Tookey, Occidental Life of California, said that use of the short form and lack of complete facts in connection with reinstatements may produce litigation in connection with early claims. The lack of individual questions in the short form may prevent the applicant from stopping and thinking what actually did happen to him. The Occidental, he said, gets more adverse information from outside sources than from the application itself. During the last 10 years, he said, the companies have been moving toward adoption of the standards employed in selecting new business when acting upon reinstatements.

The underwriter should try to learn the incentive for the reinstatement. If the company is making a reinstatement

★
19.5% GAIN
in new business
in first five months

1938

★ ★ ★
The MIDWEST Life
INSURANCE COMPANY
OF LINCOLN, NEBRASKA

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June 10, 1938
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drive, then the underwriter can afford to be more lenient.

The companies, he said, are satisfied with the theory that the incontestable period starts over again from the date of the reinstatement. In some jurisdictions, however, the courts hold that the reinstated policy is always open to contest.

O. W. Perrin, Penn Mutual, said that when an application for insurance is rejected, the company does not notify the applicant but informs the general agent. When the premium has been prepaid, the company insists upon return of the formal receipt by the general agent.

D. S. Craig, Metropolitan, said his company does not notify the applicant directly where the business has been turned down. It is up to the agent. If the premium has been paid, the agent pays this back and sends the receipt to the home office. If the rejection is for a medical reason, the company writes a personal letter to the applicant saying that the findings are not quite normal and that if the applicant desires, the Metropolitan will advise the applicant's doctor of the situation.

R. G. Stagg, Lincoln National, contributed a discussion to another phase of underwriting.

Super-regulation Is Main Cause for Railroads' Ills

(CONTINUED FROM PAGE 3)

railroads are not in an uncomfortable financial condition, or to gloss over their difficulties, would be foolish. Many roads are over-capitalized and certain types of traffic have been lost, perhaps never to be regained. As against this, there are other types which, as far as anyone can see, can be handled only by the railroads."

Income, Expenses Increase

He pointed out that the plight of the railroads is not entirely due to lack of business, as commonly supposed. In the first two months this year their gross earnings increased \$92,000,000 or 21 percent over the same months of 1933, but operating expenses increased 27 percent or \$95,200,000. Of this amount \$62,000,000 was due to wage increases averaging 27 percent; taxes paid were \$13,100,000 or 30 percent greater. Operating expenses, taxes and rentals consumed 95 percent of gross earnings in 1933, he said, and 99 percent in 1938.

Vice-president A. T. Maclean discussed the current criticisms of life insurance, showing by analysis of so-called policy "costs" that legal reserve life insurance containing the investment element is a good buy.

Must Listen to Critics

"The more we study our business, the more we will realize how well it embodies the very principles of democracy and a basis for the sound financial development of a free nation," he said. "The business of life insurance is not above criticism, and any institution or individual that will not pay heed to constructive suggestion is on the way out. We have had some of the most helpful criticism from those outside the business, and the more we get of that sort the better we will be. However, the criticism that we find difficult to accept comes from the ignorant, the uninformed and from those whose object is not the welfare of the policyholder, but their own financial gain. It is very easy to be critical about somebody else's business when you can get a fee for your labors. On the other hand, testimony for our business has come from the highest type of citizen in all countries."

Mr. Maclean said no one can help an agent answer the twister and his type unless the agent is convinced of the fallacy of such ideas. He must therefore study the subject so he can explain

to his policyholders in non-technical language what is wrong with the statements of the self-seeking life insurance critics.

He noted two outstanding criticisms, first, that the companies are making a great deal of money out of policyholders, and second, that the average individual has the wrong kind of policy. If there were any basis for the first criticism, he said, someone must be getting the money that is allegedly not being passed along to policyholders, and it could not have been hidden for more than 150 years from all the insurance commissioners and supervising authorities throughout the world. He said he did not know of any business that was operated on any more economical basis than life insurance or where those responsible for management received so small a proportion of the earnings.

Mortality Table Issue

Much capital is made by various critics of the so-called "out of date" mortality table. This overlooks the fact that any table that is used must be safe beyond question. It must provide for years of epidemic as well as for good years; it must reflect safety not only at one period of life but at all periods. The facts are, he said, that at higher ages and as applied to policies of large amounts, actual mortality experience has been higher than experience shown in the old American experience table. In any event, while a new table might produce lower premiums it would not change the net cost of insurance to the policyholder in a mutual company, because he pays no more than the actual cost of insurance and not the rate according to any table new or old.

He discussed policy loan interest, which, he said, at 6 percent as is general at present, is entirely equitable. The average borrower of small amounts through thrift agencies pays a much higher rate, he said, because of expense involved in making such loans and the risk taken. The policy loan is a very expensive form of investment from the point of view of policyholders as a whole, he said. In thousands of cases actual interest received is less than cost of handling the loan.

Best Inflation Hedge

Finally, he took up inflation, stating life insurance is the real hedge against it.

The convention theme was "Fulfilling Our Obligations Through Quality Underwriting." President A. E. Vieth of St. Louis opened the first session. Secretary-treasurer Fritz A. Lichtenberg of Columbus gave his report in rhyme.

Most of the talks gave practical sales advice. T. E. Davis of Atlanta discussed the necessity of setting up a target at which to shoot. He said, it is valuable not merely as a means of taking aim, but also as a basis of comparison; with it one is able to determine hits and misses.

The text for the talk of C. E. Pejeau of Cleveland was taken from the "Diamond Life Bulletins." He advised keeping the bin filled with names of prospects, such as persons the agent knows and persons whom his prospects know, and also urged qualified and unqualified cold canvass. About 50 percent of the business should be accounted for by canvassing policyholders, he said.

Defines Ideal Prospect

Record keeping is of vital importance. He stressed quality business. In prospecting, he said, factors which influence the agents' profits and therefore should be considered, are occupation, income of applicant, amount of insurance he has in force, his age. The ideal prospect he defined as being one in the preferred occupational group of business and semi-professional men, educators, executives, etc., with annual income \$5,000 or more, at least \$10,000 insurance in force and in the preferred age group, 25-49.

George F. Liebkeman, Jr., of Memphis, Tenn., took up "Strategy and Tactics," which in his case he found helped

to increase the average size of his application and greatly improve quality of business. The best sales will be found to be those in which the agent has given careful thought and consideration to the case before talking to the prospect; the approach has been planned, the interview run over mentally, several possible solutions to the prospect's needs considered and the best selected; a line of attack plotted to secure the close. Mr. Liebkeman uses the two-call system, the first call being to get acquainted, secure information and present individual sales talks; the second, to attempt to close.

Back to Fundamentals

R. D. Hardy, Greensboro, N. C., discussed fundamentals under the title "Back to Taw." He listed 11 points that resulted from his getting back to fundamentals and helped him to increase production. These were a better realization and conviction that his company was sound and outstanding in the field; value of business reading and studying, and building an insurance library of his own; setting up definite production objectives and thinking, planning and acting toward attaining them; policyholders as prospects; program and audit idea; value of selling the wife on a program; value of selling every policyholder on the company and being sure he understands his policy; value of direct mail; business diary and plans in advance for the month, week and each day; benefit of concentrating on types of buyers capable of purchasing larger amounts; professional concept of the business.

The formula for success, "I" equals "N" times "E" times "B," was proposed by H. R. Van Cleve of Los Angeles. "I" is income, "N," number of people contacted, "E" selling effectiveness, "B" buying power of average prospect. Starting with a given income, he said, he found he could double it by doubling any one of the three factors. He built a "sales track" on which to run. His

analysis showed he was more effective talking to family men with children, with income earners than with persons of large estates, and especially in talking monthly income for family and retirement.

Sales Track Essential

His sales track prospect was a family head age 30-50, with minimum income \$300 a month, most of it from personal earnings, and a man that Mr. Van Cleve knew or to whom he had a card of introduction. With his sales track completed from the very first month his closing ratio increased from one in 10 to six in 10, which has persisted. His work sheet shows "cases opened" rather than interviews. He considers a case opened when he has secured the answer to seven questions, has been given the man's policies and has received an admission from him he has a problem that needs solving.

Mr. Van Cleve has found it is a bad habit to rework the tailings of prospects. He said if he runs 50 cases through the mill he will close 25, the remainder putting him off for a time. A reworking of this 25, however, will not result in a 50 percent closing ratio. His ratio of closing interviews to opening is two or three to one. Therefore, his normal week is four opening interviews and eight to 12 closing interviews, with an average of two cases written.

Cleary Named Actuary

BOSTON—Arthur E. Cleary of Boston, who has been connected with insurance companies and held a state actuarial job in New York for a time, has been appointed actuary of the Massachusetts department by Commissioner Harrington. The position has been vacant for two years. The salary has been fixed at \$4,500. Cleary was graduated from Harvard college with an A. B. degree and cum laude in mathematics.

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General Agents in West Virginia, North Carolina, and Maryland. We offer a complete line of policies, both participating and non-participating, at low cost. This is an opportunity for advancement.

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Lapse Prevention in Canada Being Emphasized Now

(CONTINUED FROM PAGE 4)

parison with the figures for the past six years. The comparative ratios were: 1932, 114; 1933, 124; 1934, 114; 1935, 108; 1936, 102; 1937, 103.

Mr. Phelps stressed the fact that companies are beginning to realize "more than ever that true conservation calls for more prevention than cure. Head offices are ultimately responsible, of course, but they know that they can succeed only by enlisting the cooperation of the entire agency force. We note an increasing use of modern 'tools' to help improve the quality of business." He referred to the persistency rating chart, to check on the quality of policies, and the rating chart for agents, to check on the quality of the agency force.

"While it is true that these basic principles are the foundation for a conservation program," he continued, "it is also true that added to this foundation there can be a variety of specific methods to prevent lapses. Some of today's successful methods have been used for years; others are brand new. The important thing is that they work. Here are a few we have noted:

Suggests Several Methods

"Increased emphasis upon conservation matters in company and branch publications.

"Company honor rolls based on persistency instead of volume.

"Contests with rewards based on high-quality business.

"Production clubs with persistency factor included in qualification requirements." One company allows a second-year lapse of not over 15 percent. Higher lapse rates must be made up for by additional production, dollar for dollar. One company has a 'Millionaires Club,' and to qualify for this club the agent must have a million dollars of business in force.

"Provisions in contracts, providing extra compensation for increases of insurance in force.

"More responsibility for conservation given to branch office staffs, because they are nearer the 'front line' where lapses occur.

"Continued trend toward fewer premium notices. Those issued are more forceful than formerly and are sent out nearer the actual due date than previously." There is a trend in Canada to place more responsibility for this

work on the branch offices, tending to create a closer contact with the assured.

"Some companies, however, feel that a conservation letter from the head office is more effective. One company has discontinued sending a lapse letter from the branch office which went out 50 days after the due date, and is now sending out a conservation letter from the head office promptly after a receipt is returned. Another company has added to one letter always sent out from the head office an individually typed letter on a special letterhead for first and second-year lapses. This serves as an audit letter on collections and selling and brings a fair number of replies.

"It has been the experience of one large company that people who lapse policies must continually be serviced after reinstatement takes place and they feel that it is more important to center attention on the initial quality of business."

Referring to the importance of proper selection of agents, Mr. Phelps mentioned that when "one of our men from the bureau was visiting a company not long ago he got the agency department interested in this problem and so with its cooperation he pulled from the files 214 consecutive lapsed cases which had been written in the spring of 1935.

Makes Lapse Analysis

"Classifying these lapses, this is what he found: 135 lapsed during the first year; 68 lapsed at the end of the first year; 7 lapsed during the second year and 4 at the end of the second year. Expressing this in percentages, it means that 94.9 percent of all first and second year lapses occurred during or at the end of the first year.

"But, even more significant, and not shown in these figures, is the fact that 151 of these cases, or 70.5 percent, lapsed without payment of a second premium of any kind. Certainly little of this could be attributed to change in the circumstances of the assured. It gets right down to the matter of poor selling more than anything else, and urgently reflects the need for improving its quality."

In conclusion, Mr. Phelps spoke of policy loan repayments, stating that efforts to secure repayment of policy loans, with a view to lessening the chances of lapse, are more selective than formerly. A policy with a loan against it is not, *ipso facto*, a "poor risk" conservation-wise, he said.

Several companies take the attitude that since the lapse rates go no higher perhaps they do not want to have too many repayments because they can not invest their funds at 6 percent anywhere

else, so why not keep them on a reasonable basis in the policy loan? Further research by a number of companies showed that the average repayments of loans received as a result of "pressure" methods were in amounts from \$50 to \$100, which indicated the policyholders had money and the danger of lapsing the policies was, perhaps, very small.

Finally, Mr. Phelps stated, "More and more companies are basing their conservation activities on facts brought out through their own research or the research of organizations such as the bureau. We believe this to be important and perhaps the most significant phase of the whole conservation picture today."

Agents Association of Massachusetts Mutual in Session

(CONTINUED FROM PAGE 3)

stantial life insurance, could be sold mode by getting them to divest themselves of ownership in their insurance, paying the gift tax on present cash values. Ralph Armstrong, counsel for the company, expressed the consensus in the meeting that the best way for avoiding difficulty when a wife owning the insurance predeceases her husband is for the wife to pass by will her interest in the policy. Successive owners may be named in the insurance contract or joint owners may be named, and the tax on the policy cash value might not apply in transferring the wife's estate, but this has been made doubtful by the Farmers Bank & Trust Company case. The simple, clear-cut methods, are usually to be preferred, said Mr. Armstrong. Frank D. Murphy, Peoria, Ill., outlined his methods of writing business insurance at this session.

Several special group meetings were held, including the C. L. U. dinner Tuesday noon at which Paul F. Clark, general agent John Hancock Mutual, Boston, was the chief speaker. The convention closed Wednesday noon after Frank T. McNally, general agent Minneapolis, and Vice-president Joseph C. Behan gave concluding words of cheer and inspiration.

Officers of the Agents Association are: President, A. E. Veith, St. Louis; first vice-president, E. A. Coyle, Pittsburgh; second vice-president, F. J. Van Stralen, San Francisco, and secretary-treasurer, Fritz A. Lichtenberg, Columbus, O. The executive committee includes G. F. Liebman, Jr., Memphis, Tenn.; H. G. Behan, Hartford; T. W. Evans, Cincinnati; David Marx, Jr., Atlanta; T. P. Allen, Long Island, N. Y.

C. L. U. NEWS

ANNUAL ELECTION JUNE 23

President Earl M. Schwemmer of the Chicago C. L. U. chapter has appointed a nominating committee to select a slate for the ensuing year. The committee consists of Frederick Bruchholz, agency director New York Life, chairman; W. M. Hiller, Stumes & Loeb agency, Penn Mutual, and J. D. Moynihan, manager Metropolitan. Members will be notified of the proposed slate on or about June 10. The annual meeting will be held June 23.

BENDER TALKS IN LOS ANGELES

The Los Angeles Chapter, C. L. U. heard an address by Associate Manager Bender of the Los Angeles office of Union Central Life.

STOLZ HEADS HARTFORD UNIT

Hartford Chapter, C. L. U. has elected A. F. Stolz of New Haven as president to succeed R. E. Benjamin of Hartford in Hartford. Earl B. Roberts, Bridgeport is vice-president; Clyde W. Fuller, Hartford, secretary; Mr. Benjamin, chairman of the board. Reports were given by sectional educational directors—Mr. Stolz, Mr. Roberts, John M. Brodie, Waterbury, and Wilbur A. Pratt, Hartford. The nominating committee was Glenn B. Dorr, chairman, Fred O. Lyter, and E. S. Churchill.

A. C. Littlejohn's Review Petition Has Been Denied

SPRINGFIELD, ILL.—Assistant District Attorney Alexander states that he is awaiting the formal mandate from the clerk of the supreme court at Washington, D. C., which has denied A. C. Littlejohn's petition for a review of the 7th circuit court of appeals decision affirming his conviction on charges of using the mails to defraud, before authorizing U. S. Marshal Ruppel to apprehend him. He was sentenced to eight years in the penitentiary, a fine of \$12,000 imposed and also his share of court costs amounting to \$15,000. He was convicted in the federal court last year in connection with the operation of the National Aid Society which did not do any business in Illinois at the last but used Springfield as the basis for operations all over the country. Littlejohn has been engaged in a number of insurance activities of a submarine type.

Berman Dies; Author of Book Criticising Life Insurance

WASHINGTON—Dr. Edward Berman, author of "Life Insurance: a Critical Examination," died here after a long illness. He was senior labor economist in the division of social research of the W. P. A. From 1931 to 1933 Dr. Berman was a member of the economics faculty at the University of Illinois. In 1934 he went to Washington as economic analyst in the bureau of labor statistics and in 1936 left to take charge of the W. P. A. social research division.

Life insurance authorities criticised Dr. Berman's book, published several years ago, as relying for its chief points on serious distortions of facts and figures. However, they all acknowledged that unlike many authors of books attacking life insurance, Dr. Berman was entirely above criticism in his intentions and that the errors in his book were due to lack of adequate information in a field alien to his own specialty.

He was an intimate friend of Supreme Justice Brandeis.

The Union Central Life, E. E. Best manager, is moving to City National Bank building, Omaha, from the Keeline building.

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LEGAL RESERVE FRATERNALS

Hold Chicago Sales Meeting

Fidelity Life Association Representatives Study Effective Sales Methods in Two-Day Session

District managers and field representatives of the Fidelity Life Association took part in a two-day sales session in Chicago, under the supervision of A. R. Colvin, general sales manager. The session was opened by President Walter C. Below, who presented honor awards to Fidelity's leading producers for 1937. Production leaders were Oscar Ekberg, Kansas; James Ferrantino, Illinois; Ida Carty, Illinois; Harry Wilson, Michigan; Henry Spille, Wisconsin; Mabel Turk, Illinois; Traian Radul, Michigan; C. C. Cummings, Illinois, and Ralph Schepler, Illinois. Mr. Colvin introduced ten new Fidelity representatives.

Discuss Sales Problems

The first day's session was given over to a discussion of sales problems and most effective methods of answering frequent stock objections. President Below entertained members of the Chicago Fidelity Club at a luncheon while the remainder of the group were guests of other supreme officials.

The last morning's session was devoted to a round-table discussion of the sales problem presented the day previous, with many new angles and solutions considered. At the luncheon that day Loretta Benkendorf of Chicago, supreme monitor, acted as host to members of the Chicago Fidelity Club and lady officers of the association.

The Chicago session closed with a banquet with President Below presiding. The high point of the evening was the presentation of a large electric roaster

to Thomas Badders of Grand Rapids, Mich., by Mr. Colvin. President Below adjourned the meeting by urging representatives to express their desire for a similar meeting next year by increased production in the field.

In addition to the field representatives, the following were introduced or took part in the session: Directors John Riordon, Morrison, Ill.; R. L. Rickoff, Clinton, Ill.; John Ledle, Wheaton, Ill.; C. A. Henthorn, Milwaukee, and D. C. McDowell, Soldiers Grove, Wis.; Supreme Monitor Loretta Benkendorf, Chicago; Supreme Conductor Nellie Schneider, Clinton; Supreme Warden Edith Hockney, Silver Lake, Wis.; Supreme Sentinel June Winder, Sheridan, Ill.; C. E. Ward, superintendent of investments, and Mrs. Ward, Fulton; Mrs. A. R. Colvin, Fulton, and Eulalia Schepler, Metta Ashton and Harold Allen of the home office.

Wisconsin Group Meets

The annual convention of the Wisconsin federation of the Aid Association for Lutherans, will be held at Concordia college, Milwaukee, June 11. Local branch officers and agents will meet in the morning and be addressed by national officers. Regular sessions will be held in the afternoon, when state federation officers will be elected and candidates for national directors endorsed. A banquet will close the convention.

Court Observes 50th Year

St. Mary's Court No. 80, Catholic Order of Foresters, observed its 50th anniversary at a dinner in Milwaukee. Joseph Andres, financial secretary since the branch was organized, was awarded the "legion of honor." J. M. Callahan, secretary Catholic Knights of Wiscon-

sin, was principal speaker. The Foresters' order is 55 years old this year, and St. Mary's court was formed five years after organization of the order.

Herman L. Ekern to Speak

In connection with the supreme assembly of the Equitable Reserve of Neenah, Wis., to be held next Tuesday and Wednesday at the Phister Hotel, Milwaukee, H. L. Ekern, well known attorney of Madison, Wis. and Chicago, recently appointed lieutenant governor of Wisconsin, will be the chief banquet speaker. Mr. Ekern is a well known fraternalist and is president of the Lutheran Brotherhood. He was formerly attorney-general and insurance commissioner of Wisconsin. He attends the meetings of the National Association of Insurance Commissioners and is a spokesman for a number of the fraternals if any question comes up in which the societies are interested.

Fix Initial Lien on Reserves of Chicago Fraternal Life

The initial lien on policy reserves of Chicago Fraternal Life Association, which was taken over about a year ago by North American Union Life of Chicago has been fixed at 72½ percent with the approval of the Illinois department. About \$10,000,000 of insurance is involved. The tentative lien has been 75 percent.

Under the reinsurance agreement North American Union is to administer the funds of Chicago Fraternal Life separately and apart from its own funds until 1947 when the merger becomes effective and the funds are consolidated.

North American Union is endeavoring to preserve the interests of the Chicago Fraternal certificate holders for the benefit of that class. It is hoped that a reduction in the lien will not but any improvement will rest to a large extent upon the mortality of that group and the recovery of assets. The assets of Chicago Fraternal fund were invested almost entirely in drainage district bonds, real estate and mortgages.

The statement of North American Union, excluding the Chicago Fraternal fund, discloses a liquid condition. Of its assets 71 percent are invested in bonds, practically all state and municipal. The society itself has no real estate. Any mortgages, which are small in amount, have been made since 1935 and none are now in default.

The insurance in force of North American Union showed a gain of \$1,457,000 during 1937. The insurance in force of North American proper was \$11,875,000. The society is now developing an expansion program and has enlarged its insurance plans offered to the public. These now include various types of endowments for both adult and juvenile.

President is George E. Cobb; vice-president, James Barcus; secretary, H. H. Witt, treasurer, D. B. Maloney.

Order Now in 85th Year

The Junior Order United American Mechanics is celebrating its 85th year. Andrew Ruppel, national councilor, reports that the society, which started with humble origin, has grown to 2,700 councils with 250,000 total membership located in nearly all states. The funeral benefit department has paid 74,623 claims totaling \$33,341,807.

Miller on New Job

R. E. Miller, recently appointed promotion director for the Woodmen of the World Life, has moved to Omaha from Dallas, Tex., to take up his new duties.

Over Million in Chace Month

NEWARK—The home office agency of the Prudential submitted \$1,200,000 new business in honor of George Chace, vice-president of the Prudential, in the "Chace Month" campaign in May.



Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



Operating for almost fifty years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

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Write for particulars to

PETER F. GILROY, President
1447 TREMONT PLACE
DENVER, COLORADO

What Is Legal Reserve Fraternal Life Insurance?

(This is the fourth of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

4. Social activities and charitable work are made available for those members who wish to take part. Many fraternals operate homes for aged members or hospitals. Rapidly growing juvenile departments provide excellent opportunities for children to take part in lodge work and social events.

Like the record made by the legal reserve fraternals as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

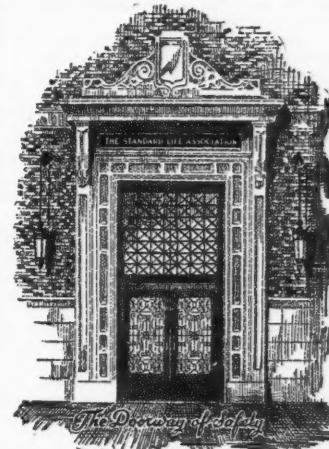
BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
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Edwin M. Mason,
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**Stability — Safety
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ASSETS

\$13,750,000.00

CLAIMS PAID

\$116,000,000.00

The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN
President

JOHN V. SEES
Secretary

MARTIN MILLER
Treasurer

Negro Insurance Body Announces Meeting Program

(CONTINUED FROM PAGE 5)

Investment Policy, led by E. M. Martin, secretary Atlanta Life.

Paper, Contribution Female Employees Are Making Toward the Progress of the Life Insurance Business, by Mrs. Bernice Sanders, assistant secretary and auditor Supreme Liberty Life.

Afternoon Session, June 16

Discussion, An Analysis and Comparison of the Agency Turnover of Member Companies and of Five Non-Member Companies of Similar Types:

- (a) As to number.
- (b) Annual costs.
- (c) Methods of employment, training and retention.
- (d) Causes.
- (e) Remedy.

Led by G. W. Cox, agency director North Carolina Mutual Life.

Actuarial discussion: Methods of Absorbing the Extra Expense Caused by the Social Security Tax, led by A. Maceo Walker, actuary Universal Life; Miss Ether Tibbs, actuary Afro-American Life; A. T. Spaulding, actuary North Carolina Mutual Life.

Report of social security unemployment tax committee, Harry H. Pace, general counsel National Negro Insurance Association.

Medical Section

Dr. R. L. Brown, national medical director, presiding.

Report of 1938 National Negro Health Week Committee, Dr. R. L. Brown.

Discussion, Various Methods of Selecting Industrial Risks and the Relative Merits of Each, led by Dr. Robert Greenidge, medical director Great Lakes Mutual Life.

Paper, The National Negro Health Week Program, Dr. Roscoe C. Brown, health education specialist United States Public Health Service.

June 17—Agency Institute

Howard W. Russell, assistant agency director Atlanta Insurance Co., presiding.

Greetings to visiting field representatives.

(a) J. F. Morning, Cleveland manager Supreme Liberty Life.

(b) M. C. Clarke, president Dunbar Mutual.

Response, J. H. Coates, president Mississippi Negro Insurance Association.

Discussion, "The N. N. I. A. Service Bulletin," led by J. E. Robinson, Sr., president Richmond Negro Underwriters Association.

Five-minute papers:

(a) The Value of Weekly Agency Meetings to a District, C. R. Williams, Alabama state agent Pilgrim Health & Life.

(b) The Job of the Negro Life Insurance Agent, A. Douglass Doss, agency director Mammoth Life & Accident Co.

(c) What the Field Force Thinks of the N. N. I. A., Frank A. Young, agency director, Louisiana Industrial.

Pep Talk—"Men Wanted," Willard W. Allen, president Southern Life.

National Negro Collection Month Report, W. S. Horsby, past president National Negro Insurance Association and founder of National Negro Collection Month.

"Virginia, the Birthplace of National Negro Insurance Week," B. T. Bradshaw, president Virginia Mutual Benefit Life and chairman of the Virginia committee on National Negro Insurance Week.

National Negro Insurance Week Report, Geo. W. Cox, chairman.

Quotas and pledges for 1939 and suggestions for 1939 National Negro Insurance Week and other nationwide efforts of the N. N. I. A.

Fox River Valley Meet

Twenty-four officers and home office personnel of the Wisconsin National Life of Oshkosh, Wis., Equitable Reserve of Neenah, an Aid Association for Lutherans, Appleton, comprising the Fox River Valley Underwriters Association, held a dinner and business meeting following an afternoon of golf. Life insurance underwriting problems from the home office viewpoint were discussed. Allen Eastlack, actuary Wisconsin National, led a discussion on settlement options.

Campbell Agency Leads in Chace Month Drive



GEORGE H. CHACE

JACKSONVILLE, F. L. A. — The Chas. W. Campbell ordinary agency of Jacksonville led all the Prudential agencies in the United States in production in the business drive in May in honor of Vice-president George H. Chace. More than \$1,750,000 was written during the month by Mr. Campbell's Jacksonville forces, which tops any single month record in the agency history. Central Division, under J. H. Winslow, assistant manager, produced \$500,000, and Jacksonville division, headed by L. F. Montgomery, assistant manager, \$400,000. Others of the five divisions brought up the rest of the total. James H. Randolph, Jr., Jacksonville division, led the entire agency group with \$119,000.

J. W. Gantz Anniversary Celebrated with Notable Rites

Celebrating the 20th anniversary of Joseph M. Gantz as general agent of the Pacific Mutual Life in Cincinnati and Columbus, O., the agency force closed a hard month's campaign by submitting 302 applications of new business, closing the year's business to date by a 14 percent increase over last year.

The celebration opened with a banquet given in Mr. Gantz's honor by the sales force of 32 men. The dinner was attended by over 80 friends and business associates from all over the country. Former governor of Ohio Myers Y. Cooper made the principal address. A silver plaque was presented to Mr. Gantz by his associates. A 20 year service pin was given him by Manager of Agencies Jens Smith. Mr. Smith called attention to the fact that when Mr. Gantz took over the agency 20 years ago, Cincinnati ranged 43rd in production, but at the present time the Cincinnati agency stood first in the country.

The celebration closed June 4 with a dinner. Arriving from Los Angeles to bring the company's congratulations to both Mr. Gantz and his agency force were D. C. MacEwen, vice-president and superintendent of agencies, and Medical Director L. H. Lee.

Turn on Heat

In keeping with the season, the agency force of the Old Line Life of America is "turning on the heat" in June and the award for production fitting will be attractive match books imprinted with the agent's name when he fills his month's quota. The company's announcement points out that President John E. Reilly, who does not smoke and is always match-less, is the matchless leader that the field force is honoring in June, his natal month.

Life Insurance Prosperous in Canada, Says R. L. Foster

TORONTO, CANADA — Addressing the Toronto chapter of the Institute of Chartered Life Underwriters of Canada, R. Leighton Foster, K. C., general counsel of the Canadian Life Insurance Officers Association, declared that the health of the life insurance business in Canada is indicated by the amount of insurance in force. If account be taken of the amount of life insurance segregated as annuities in present day company reports, the amount of life insurance now in force is greater than at any previous time, exceeding 1931, commonly regarded as a high point. The new business written in 1937, \$672,794,298, is the largest amount written in a single year since 1931. Writings so far this year show an increase over 1937. "Underwriters who feel that things aren't what they used to be may be truly said to yearn for a time that never was," said Mr. Foster. "Business is being written in increasing amounts by the life underwriters of Canada. It is only its distribution among individual underwriters which has changed."

Mr. Foster said that the men who sell life insurance are the ones to maintain public relations in a satisfactory condition. He said that every policyholder is concerned in the tax on his interests. He referred to the heavy taxes and confiscatory legislation, particularly in Alberta. The policyholders and beneficiaries represent a majority of the adult population of Canada and if they understood their true interests the agitations would not get far.

New Edition of W. Va. Handbook Is Published

The Underwriters' Hand-Book of West Virginia has been published by THE NATIONAL UNDERWRITER. This complete reference book on insurance for the state is published every two years.

This edition brings up to date the data on the state insurance-wise. It lists the agents licensed to operate in this state, showing the companies which they represent together with their addresses, members of the firm, business transacted, date established, etc. In compiling this book 8,686 licenses were received from the department divided 4,420 stock fire, 513 mutual fire, 1,903 stock casualty, 268 mutual casualty and 1,502 life. These are about the same as in the past, the only change being an increase of 200 licenses in the stock casualty group.

Besides the list of agents is also given the complete list of companies licensed to operate in the state together with their field men, officers, etc. as well as their records of business done in the state for the past few years.

The hand-book is most complete and is a worth while reference book for anyone interested in insurance in the state.

Bankrupt's Policies Exempt

ST. LOUIS—Life insurance policies of bankrupts are exempt from the demands of their creditors' claims when the exemptions come within the state law and such state law is applicable. Federal Judge Davis ruled in upholding the appeal of E. W. LaTourette from a ruling by Referee in Bankruptcy Peary.

LaTourette filed a voluntary petition in bankruptcy. The trustee for LaTourette's property obtained an order from the referee in bankruptcy to take over two life insurance policies for \$5,000 with a cash value of \$2,044. The trustee contended that the policies belonged to LaTourette's estate for his creditors. Counsel for LaTourette argued that under Missouri laws life insurance policies are exempt from seizure, and Judge Davis has upheld this contention. Mrs. LaTourette is the beneficiary.

Tribute by a President to a Worthy Agent

President George A. Boissard of the National Guardian Life of Madison, Wis., pays a personal tribute to an agent at Green Bay, Wis., for whom he had a particular liking. Mr. Joseph had a modest position in the Elks Club at Green Bay when President Boissard interested him in life insurance. Mr. Boissard said:

"On June 6 John Joseph, for 24 years an agent of National Guardian Life, passed over the bar into that unexplored sea life insurance men never entirely forgot. He was an exceptionally able insurance salesman—not in volume, for his average hovered about the \$115,000-a-year mark. But he was consistently regular in production and his business had unusual persistency in staying on the books. It has been more than three years since Mr. Joseph's renewal record has been under 100 percent."

"He was in his 30's when he quitted a club stewardship for life insurance, and he started from scratch. He put his work into the job as that was his only available means of transport if the prospect wasn't on a trolley line. Applications were of modest size but after a few years' experience Mr. Joseph ran very close to 11 years without a skip in his record of weekly production—taking a week out for fishing in the spring and another in the autumn hunting season."

New Denver Company Ready

United American Life Is Licensed Open for Business June 27—Tickner Is President

United American Life of Denver, which has been in process of organization for some time, has now received its license and has deposited \$100,000 with the state. The opening business day will be June 27. V. L. Tickner, who is well known in the business, formerly having been vice-president of American Life of Denver, is president. The other active men in the company are C. E. Lien, secretary and treasurer, who is also secretary and treasurer of Fidelity Protective Mutual, and Dr. George H. Gillen, medical director. Authorized capital is \$250,000. About \$108,000 has been subscribed. Offices are in the Colorado National Bank Building.

Mr. Tickner has designed a number of unusual policy features. He is featuring a 17-year term plan and a term to 72 arrangement.

The rate for the 17-year term plan at age 40 is about \$84 and at age 35 about \$75. It provides \$5,000 death benefit, \$7,500 accidental death benefit, \$10,000 travel accident benefit; \$5,000 permanent disability benefit, plus \$5,000 death payment. If a wife, mother or sister is named as beneficiary and she suffers death in a travel accident, the assured is paid \$2,500.

Clark Heads Association

SPRINGFIELD, ILL.—R. A. Clark of Haight, Davis & Haight, former vice-president of the Insurance Accounting & Statistical Association, was elected president at the 17th annual conference at the home office of the Franklin Life here. He succeeds C. S. Collins, tabulating supervisor Penn Mutual Life. The new vice-president is J. E. Gallagher, statistician Grain Dealers National Mutual Fire. E. M. Karrmann, comptroller American United Life, was reelected secretary-treasurer. Thirty companies were represented at the conference.

The association was founded 10 years ago by a small group of Illinois companies to promote the exchange of ideas on application of punched cards to insurance accounting and statistical procedures.

Sales Ideas and Suggestions

Positive Attitude Necessary in Times Like These

U. H. Poindexter, assistant agency director Northwestern Mutual, spoke before the Rochester, N. Y., Life Underwriters Association, stating that the more difficult the times the more necessity for powerful and possibly more emotional selling. "We know that when times like this hit us," Mr. Poindexter said, "the first thing necessary is that we must hold a morale or mental attitude that is positive. We know that it is necessary that the prospecting job must be continuous. Get a referred prospect from every contact you make, because it is necessary to throw in the new blood. Time control, and a stiff one, is good medicine."

Should Know About the Family

He made the statement that, "it is not always safe to talk to a man about his wife, as it is possible they do not get along, but it is always safe to talk about his mother and daughter. In other words, before approaching a prospect, it is well to know something about him and his family." Speaking further, he said:

"Whether the case be taxation, business insurance, corporation insurance, pension trusts, etc., the prospect is only interested in two things, what I am going to get out of it in money, or, will it make more money for my family? As long as we have civilization, we must constantly keep in mind that the institution of life insurance furnishes the only scientific and definite solution to most of the financial problems of mankind. We talk about the life insurance business being a profession. It will never be so judged until the public so judges it by the performance of the underwriter."

Organized Sales Talks

"While organized sales talks are fine, they should be short and to the point or the prospect will sense the talk as being 'canned' and uninteresting and is likely to become disgusted."

Mr. Poindexter referred to the power of silence and warned agents against being conversational despots, i. e., talk monopolizers. "Sometimes," he said gravely, "silence is powerful." "Too," he added, "it is common courtesy to give the other man the courtesy of his own ideas." He referred to that human dynamo, and leader of the Northwestern Mutual, Herman Duval. He told of Mr. Duval's experience when he went to call on a prospect who had just received an appointment. As he entered the presence of his prospect, he said, "It is certainly fine that you got this wonderful appointment. I want to congratulate you again." The prospect got up and said, "Duval, I have been thinking about this extra insurance and have decided definitely I am not going to take it."

Mr. Duval got the hunch not to say anything and just kept on sitting there. Finally, the prospect said, "I realize my position has improved a bit, but I cannot afford to spend any more for life insurance." Mr. Duval did not know what to say, so he said nothing, but just sat and smiled, fully aware that if he argued with the prospect, he would not get anywhere. Finally, the prospect said, "How much would that \$25,000 cost me, Mr. Duval?" Mr. Duval got up and the prospect sat down. Mr. Poindexter illustrated this case in bringing out the point that sometimes silence is powerful, further stating that the first requisite of a good conversationalist is,

not the ability to talk, but the ability to listen. Give the other fellow a chance, listen to his story.

Mr. Poindexter further stated that everybody likes to brag, that he likes to brag about his wife or his children. By this method he is actually selling himself on how important he and members of his family are and when he gets all through, he is a better prospect than when the agent walked in.

"Be of good nature, smile," continued Mr. Poindexter. "If you are a grouch, you are not in good shape to be a good salesman. Suggest, but do not advise. The prospect will take a suggestion and adopt it as his own and often act on it. Know your prospect's problems. Be sympathetic. Then, show him how life insurance meets his problems. There is nothing that brings greater pleasure than what your business offers. If every person in the life insurance business, who has been in this business over two years, would do those things which he or she knows are necessary to be done to be successful, they would approach

success. When old age approaches, if we can say to ourselves, 'Most of my days were satisfactory days,' we have done a good job."

Mr. Poindexter was actually born into the life insurance business. His father was a successful pioneer general agent for the Northwestern Mutual in Kansas. U. H. Poindexter being graduated from Princeton and Columbia School of Mines, he practiced mine engineering for eight years before entering the life insurance business as a district agent of the company in 1914. At the time of his father's death, he and Clarence, now a successful general agent of the Northwestern Mutual at St. Louis, Mo., became general agents. When he was called to the home office and given the appointment of assistant director of agencies in 1927, the Kansas agency had \$51,000,000 on the books and was yearly producing \$5,500,000 of new business. He used his engineering experience in life insurance and introduced 21 years ago the first known co-related life insurance sales medium, known as "The Poindexter Kit," which gave agents and prospects a picture of their life insurance and what could be accomplished by placing it under the settlement options, rather than left in a lump sum. This kit helped the agents to get a new conception of life insurance, as well as the public.

Valuable Selling Points at Iowa State Congress

DES MOINES—At the annual convention and sales congress of the Iowa State Association of Life Underwriters here the following officers were elected: President James E. Rutherford, Des Moines, general agent Penn Mutual; first vice-president, Paul C. Otto, Davenport, general agent Connecticut Mutual; second vice-president, Phil Orchard, Sioux City, general agent Northwestern National Life, and secretary-treasurer, Max G. Kissick, Mason City, general agent Aetna Life.

In discussing "Selling Yourself," Arthur Brayton, Des Moines Chamber of Commerce, said, "Regard your job as a challenge and meet it with your best efforts. Never be satisfied with anything but the best. Too many salesmen are masters of mediocrity and next door to mediocrity is oblivion. Put into every sale the same enthusiasm you used on the first sale you ever made." There is a story in everything sold and the underwriter should dramatize his story, said Mr. Brayton.

Has Best Job on Earth

R. N. Howes, Aetna Life, Clinton, spoke on "I Have the Best Job on Earth." "I have a job and you have a job. Think of the millions who don't have jobs," he said. "I don't worry about a prospect's age change. I worry about his health change and I try to make him worry about it, too."

Speaking on "What Would Happen If," Grant L. Hill, director of agencies Northwestern Mutual Life, urged the agent to get the right state of mind. "It is far easier and certainly more profitable to be an optimist than a pessimist. Be at your best when you face your prospect. That is the best argument for a well-planned sales presentation. It takes real motivation these days to put your selling ideas across." He urged the agents to concentrate on creative selling and keeping of intelligent records.

At the luncheon Henry Adams, Des Moines attorney, spoke.

In "Bringing Out the Needs," Phil Orchard emphasized that there must be something to startle the prospect at the start of an interview. "Let's go from the policy peddler class to that of the need salesman," he said. Mr. Orchard recommended visual selling starting with the use of a pencil and pad.

Urge Constant Study

"The Secret of the Sale" was discussed by Earl E. Smith, educational director for the Equitable of Iowa. He urged underwriters to study constantly. "Sometimes we try to tell our prospect all we know about life insurance and thereby exhaust him. Our knowledge and study should not be for that purpose. Somewhere each day find the time to study your business. Utilize fragments of time for mental research. Analyze yourself, your business and your sales tactics constantly and you will find it pays dividends. Cultivate likeability, the art of making people like you. People buy from salesmen they like. Personality is not entirely a birthright—it can be developed by study and exercise. Don't overlook effort, which means a certain number of calls and interviews. Remember that a substantial commission hinges on every interview."

Karl E. Madden, Davenport general agent Penn Mutual, spoke on "You Are a Salesman, So What," and said, "When you get an idea, do something about it. Your first job is to organize your sales talk. It's not what you say that counts, it's what your prospect



W. RANKIN FUREY

clean-up fund; another that the agent create a larger life insurance income fund. He warned his listeners not to count on income from the estate for at least 16 months after the death of the decedent, instead of the usual 12 months which most authorities advise.

Mr. Furey thinks that in many cases the estate is so unsettled and disrupted for at least 16 months instead of 12 that it is better to provide for a large life insurance income during that 16 months' period so that the beneficiary or the widow will not be financially embarrassed while the estate is being settled. He pointed out the advantages of life insurance in that no forms, no transfers, no waivers are necessary. He made the statement that if all men, regardless of their financial standing, put all that they save in life insurance and annuities to the exclusion of any other form of investment, they would be much better off.

understands. Every sale is dramatized, either purposely or by accident, therefore, dramatize to the best of your ability, not only in the presence of your prospect, but in your contacts with your prospect's secretary and his office force." He emphasized the art of implied consent, saying it is just another step in closing. "Since a decision is going to be made why not assume it is going to be a favorable one?" he asked.

The round table discussion on "How to Prevent Summer Slumps" was one of the highlights of the congress. Sherry R. Fisher, associate general agent Connecticut Mutual Life, Des Moines, emphasized time control. "Planning creates enthusiasm, it calls your full capacities into action. It will take you out of intermediate and put you into high gear. The record keeper is bound to become the record breaker," he said.

Use Service Approach

Don Davidson, supervisor in Des Moines for the Aetna Life, said, "Put the service idea in your sales approach. Remember your prospect is satisfied with his present insurance program otherwise he would have changed it. Therefore, to get anywhere with him you must jar him out of his complacency."

W. K. Niemann, manager Bankers Life, Des Moines, concluded the discussion with a plea that "anyone can eliminate the summer slump with the will to win." He said that a streamline approach demands brevity and the underwriter must present a specific plan in this day and age when the prospect wants to think only of today's problems.

W. W. Jaeger, vice-president Bankers Life of Des Moines, talked on "Looking Ahead." "Watch if you will the skilled underwriter. You will see no pressure, but instead a smooth presentation of logic. To succeed you must occasionally take careful inventory of yourself and remember you are salesmen of good cheer, not peddlers of gloom." Honest thinking and wholesome vitality are essential to good selling, he said.

Hobbs Seeks Sixth Term

C. F. Hobbs, Kansas commissioner for five terms, has filed his declaration of candidacy for a sixth term on the Republican ticket subject to the August primary.

JACKSONVILLE'S
LEADING HOTEL
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GARNETT ANDREWS
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LAND
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AIR CONDITIONED
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EVERY COMFORT
at this modern, fireproof hotel in the heart of downtown Jacksonville. Every room with tub and shower, soft water, radio. Every bed with innerspring mattress and reading lamp. Running ice water on every floor.
POPULAR PRICED
COCKTAIL LOUNGE AND COFFEE SHOP
Other J. B. POUND Hotels
HOTEL PATTEN ▼ HOTEL DESOTO
Chattanooga Savannah

AGENCY MANAGEMENT

Webster Head at Pittsburgh

Annual Meeting of the General Agents and Managers Group Elects Officers for the Year

Pittsburgh general agents and managers elected new officers at the annual meeting of the agencies committee. Steacy E. Webster, general agent of the Provident Mutual Life was elected president. Mr. Webster, who served during 1937 as president of the Pittsburgh Life Underwriters Association, is at present also heading up the Pennsylvania State Association of Life Underwriters, and has just completed a year as president of the general agents' and managers' organization of the Provident Mutual Life. He has been with the Provident Mutual since 1920, going to Pittsburgh after eight years' service with the company at York, Pa.

Lawrence C. Woods Vice-president

L. C. Woods, Jr., unit manager of the Edward A. Woods Company, also a past president of the Pittsburgh association and a past president of the National C. L. U. chapter, was elected vice-president.

The Agencies Committee of Pittsburgh is the organization of general agents and managers affiliated with the Pittsburgh Life Underwriters Association and has a membership of 55. Retiring President Henry W. Abbott, general agent of Massachusetts Mutual, reviewed the outstanding accomplishments of the year. A summer outing is planned at one of the local country clubs, with the committee in charge consisting of R. R. Dodson, manager of General American Life as chairman, A. F. Goyette, general agent United Life & Accident, and B. F. Davis, manager Pacific Mutual.

Dr. Verne C. Steward outlined a new system of study and investigation being conducted by him whereby it is hoped that managers and general agents may be furnished with valuable specific information leading towards the building up of agencies of permanently successful producers.

Manager Can Influence Sales Volume at Least 25 Percent

A manager through his own efforts can influence his agency's sale of life insurance at least 25 percent so that there is no reason for sitting back complaining about conditions, said a company divisional supervisor. Although comparative sales figures are helpful in checking agency results against the average, a manager should guard against using them as an alibi. The successful manager sets his own goal and doesn't worry too much about the average man. He doesn't sit back and accept the fact that life sales are off 25 percent but he does something about it. Although additional effort on part of his agents may not account for a large volume of business they can increase the number of applications.

Dearth of Talent

There is a dearth of agency manager talent, according to this executive. He was recently placed in charge of about a dozen agencies and he admitted that he would like to employ about three new supervisors if he could find trained men among his own force. The companies have been too prone to go outside of their own organizations to hire new general agents and managers and they have not developed and trained managerial talent, he said. Too many times leading agents are employed as managers when they are not suited for the work. Although one of the qualifications of a successful manager or general agent should be at least a moderately successful sales

record as an agent, sales volume alone is not considered sufficient qualification for managerial post.

Too often the large producer is a prima donna type. He is selfish, he is looking out after his own interests. He wants to stand out and lead in the sales records. The successful manager on the other hand must push his men forward, not himself. He should be willing to let them be the stars and not put himself on a pedestal. These qualities are not easy to find. Manager Smith has a tendency to build up the Smith Agency rather than Jones, the agent.

Agents without managerial talent should not be encouraged to become managers. There are advantages in both jobs. The successful agent can usually make more money than a manager. He has independence and he hasn't the responsibility of keeping up the spirits and production of a group of men. If a man is a giver and willing to help the other fellow attain leadership then he can be a successful manager.

New Jersey Meet June 14

NEWARK—The annual dinner meeting of the Life Insurance General Agents & Managers Association of Northern New Jersey will be held here June 14. Grant L. Hill, Northwestern Mutual Life superintendent of agencies, will talk.

Columbus Group Incorporates

The Life Managers & General Agents Association of Columbus, O., has been granted a charter. Incorporators include Paul M. Smith, president, and a number of others.

MANAGEMENT UTILIZING ABILITY

By A. R. JAQUA

Associate Editor

"Diamond Life Bulletins"

It is suggested that life company officers select one man whose job it is to discover especial talents among the personnel of the company and report to the president.

Motivators: In every company there are motivators whose abilities are being spent on 20 men when it should be spread over the whole field force. There recently died one of the greatest motivators I ever saw; the sort of man whom men love and will fight for. Instead of being a general agent, where his talent was largely hidden while he spent much of his time trying to do a job for which he was not fitted, that of selecting and training, he should have been given a roving commission so that his motivating ability could extend to 2,000 men instead of thirty.

Recruiters: Some men are intuitive selectors. Why should not that ability be utilized for more than one agency? Often these men are not trainers, are poor financiers, but they can pick winners. Listen to what Alexis Karel says in "Man the Unknown":

Know Without Analysis

"A true leader of men does not need psychological tests or reference cards when choosing his subordinates. Men of genius . . . possess qualities such as intuition and creative imagination. Through intuition they learn things ignored by other men, they perceive relations between seemingly isolated phenomena, they unconsciously feel the presence of the unknown treasure. They know without analysis, without reasoning, what is important for them to know."

To mention but a few examples among many, Hugh Hart had intuition; witness some of the men he picked. Edward Woods had it; James Drewry, general

agent for Mutual Benefit in Cincinnati, has it; Joe Behan has it; "Pick" Embry, Equitable of New York in Kansas City, has it; Louis C. Cef, Sr., had it.

Teachers: Some managers and supervisors are natural teachers. They know pedagogical principles and have the patience to drill and drill and yet make it interesting. But often they have little ability in selection or motivation and, therefore, spend a life compensating by superior training their lack in other directions. Why not seek out such men and give them full scope for their training abilities throughout the field force?

Disparate Types

If you want to make an interesting experiment, list all of the agencies you know which are large enough to have a supervisor or unit manager. If the agency is successful you will find that almost always the manager is of a different type than his supervisor. If the manager is a great motivator, temperamental, lovable, gifted with intuition in selecting, you will often find that his supervisor is quiet, hardboiled, patient, with a good money sense.

Every great coach recognizes this principle. Men love him and fight for him and go out on the field to die for dear old Siwash for him, but he always has one or more assistant coaches who take care of the incessant drilling, who bind up the wounds, listen to the tales of woe and get the boys out of scrapes. Witness the combined work of Coach Bierman of Minnesota and two of his staff—Dr. Hauser and Bert Baston.

Few there are who are gifted in all directions; Leonardo da Vinci and Goethe are the only universal geniuses so far recognized. Great pitchers are seldom great batters. Will we not go farther and faster by making it our job to seek out and discover peculiar talents and then give those talents full scope to blossom and develop unhampered by effort in other directions?

Agents Are Company Officials of Bankers for a Day

LINCOLN, NEB.—The Bankers Life of this city operated a part of the current week under complete new management. V. A. Marshall, general agent at Fairbury, was chairman of the board; L. C. Krutz of Dorchester, president, and H. O. Johnson, general agent at Hastings, vice-president and actuary. In fact the entire machinery of company operation was taken from the hands of the regulars, and the honor of being kings for a day granted to those general agents and full time salesmen who made the highest records during the May anniversary drive for new business. Mr. Marshall led almost from the start. Other positions in the organization were taken by L. S. Smith, Omaha, secretary; H. J. Hanson, Holdrege, general counsel; J. H. Beck, Henderson, La., manager of bond department; R. R. Burtner, Harrisburg, Pa., secretary of medical department; W. E. Spoots, Milton, Pa., assistant secretary; Leland Gradinger, Kansas City, assistant actuary; E. F. McKellis, Alcester, S. D., treasurer; H. H. Hornbecker, Beaver Falls, Pa., assistant treasurer; Carl Lutz, Fairbury, manager of agencies; S. A. Wilson, Harrisburg, Pa., manager of renewal department, and E. J. Edwards, Kansas City, auditor. All of the regular officers abdicated for the time being, and the agents' activities included a board of directors meeting with a dinner attended by 60 of them ending the program.

Honor Aetna Life Cashier

H. W. Hough, cashier Aetna Life group, has completed 40 years of continuous service. He was presented a wrist watch, pipe and 40 roses. He received many congratulatory messages. He started in the general division. He was elected cashier of Aetna Life, Aetna Casualty and Automobile at the home office in 1925 and Standard Fire in 1929.